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ABSTRACT

Purchasing, one of the most highly specialized activities in school administration, involves securing material or service in the right quantity and quality, at the right time, and for the right price. This handbook, intended as a guide for purchasing agents, details principles essential for operating a school purchasing office in New York State. The first chapter explains steps in the purchasing function, and the second chapter discusses the relationship of purchasing to other school functions, such as educational services, the finance department, accounting, the building or maintenance department, and the legal department. Chapter 3 details purchasing procedures, and chapter 4 treats the rudiments of competitive purchasing. Chapter 5 covers purchasing through agencies other than vendors, and the final chapter discusses purchasing forms, records, and recommendations. A glossary of terms is included, along with 12 appendices providing a sample position description, a sample appointment resolution, an outline of the requisition procedure, and numerous other sample forms. An index is also provided. (MLH)

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PURCHASING

SCHOOL BUSINESS MANAGEMENT

Handbook Number 5

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The University of the State of New York
The State Education Department
Albany, New York

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INTRODUCTION

Purchasing is a practical science and is one of the most highly specialized activities in school administration. Simply stated, good purchasing is securing material or service in the right quantity and quality, at the right time, and for the right price. The purchasing agent is faced with a formidable task in seeking to satisfy the criteria of (1) the right quality and quantity, and (2) the purchase at the lowest possible cost.

Purchasing is described above as a "process." It is truly that, for it is considerably more than merely buying something. In addition to the discrete act of purchasing, the process embraces the various responsibilities involved in providing for the material needs and services of the school: receiving, storing, inventorying, and distributing. It seeks to obtain maximum value from each educational dollar spent for equipment, supplies, and contracted services.

Ethical conduct in managing the district's purchasing is an absolute essential. Each school district should adopt and strictly enforce a code of ethics to govern practices in school purchasing.

The school purchasing process is regulated by State law, court decisions, and local school board policy. Competitive bidding legislation does add to the purchasing agent's routine responsibilities, but it is a judicious protective safeguard. These bidding restrictions need not "fence in" the purchasing official; rather, local policies and routine can be structured to allow flexibility and the exercise of professional judgment in procurement while at the same time allowing observance of both the letter and spirit of the statutes and protection of the public interests. It cannot be too strongly stated that the board of education must perform the purchasing function in the manner the law prescribes; there is no alternative.

As in other areas of school operation, carefully formulated and clearly stated policies and regulations for the conduct of purchasing must be formulated and adopted by the board. These guides will be a clear-cut translation of laws into action and will establish the purchasing posture of the district. Compiling such a manual and putting it in writing is intrinsically a valuable project, for ambiguities and points of issue will be clarified; discrepancies and shortcomings in current policy in action will be revealed.

The official charged with purchasing responsibility should have a high place in the organizational structure and relationship to other line and staff personnel. Purchasing must be an integrated function since every phase of the operations of the school involves the use of supplies, equipment, and services. The relationship of the purchasing agent to all other school administrators must be clearly delineated and understood. The proper place of purchasing in a school organization is well stated by Ritterskamp:

> "The purchasing duties may be exercised by the business manager, or, in a larger institution, be delegated to a separate individual. In any case, the position should certainly be subordinate to the business manager. In his relations with the president, the governing board and other parts of the administrative machinery, the purchasing agent acts as an adjutant to the business officer. In his relation to the departments and to the business firms with which he deals, he acts directly, but under the supervision of the business officer.
>
> "There should be in the statutes a clear statement of the duties, responsibilities, and scope of authority of the person or persons responsible for business functions. The duties of subordinate

> responsible officers of the business organization should also be described either in the statutes or in subsidiary regulations."[1]

The board of education should designate the person to whom the function of purchasing is delegated.[2] Some boards of education name one of the following officials to this duty: the superintendent, assistant superintendent, assistant principal, school business administrator, clerk of the board, or (if the system is a large one) a specifically appointed purchasing agent who shall not be the auditor.

The purchasing agent is the officer who must, because of her/his knowledge of markets and marketing conditions, determine the best sources of supply. He/she is familiar with the most economical quantities; the best times of the year to buy certain commodities or services; the total needs of the district's programs. Thus it is obvious that the purchasing agent must perform more than the ceremonial function of signing the purchase order. His/her duties in the field of procurement are broad and are outlined in Appendix 1.

The appointment of a purchasing agent should be by a resolution duly adopted by the board of education at the board's annual organization meeting. The resolution should contain the following information:

- Name
- Title
- Effective date of appointment
- The limitations which the board may impose upon the purchasing agent, if any
- The responsibilities of the purchasing agent
- The authority of the purchasing agent.

A sample resolution is found in Appendix 2.

This handbook has been prepared primarily for the guidance of the administrator responsible for purchase and supply. Detailed procedures which have proved their effectiveness in many school systems are suggested. Basic principles remain relatively constant whether the school district is large or small. An attempt has been made to present information essential to the proper operation of a school purchasing office in the State of New York. It is hoped that the items and procedures set forth herein will prove helpful in this endeavor.

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[1] J.J. Ritterskamp, Jr., et al., Purchasing for Educational Institutions (New York: Teachers College Press,1961), p.34.

[2] Regulations of the Commissioner of Education, Section 170.2(b).

CHAPTER I

STEPS IN THE PURCHASING FUNCTION

The purchasing function is generally considered to cover the complete supply transaction: beginning with the initiation of a request (requisition) to supply a certain need, and ending with the approval of a claim for payment.

To strengthen internal controls, the purchasing function should be centralized in the position of the purchasing agent. A recommended purchasing procedure which incorporates nine steps involved in the purchasing of supplies and equipment for schools is described below. These are applicable to the smallest unit as well as to the largest school system. Some of the steps may be eliminated or combined, provided an adequate system of control remains.

A. **Processing the Requisition.** A requisition is initiated by the user, e.g. teacher, principal, custodian, or stockroom clerk. While the procedure should provide an adequate means by which each user can make his/her need known, the number of people who initiate formal requisitions should be kept at the minimum through the proper timing and grouping of requests. Processing of requisitions will be expedited by observing the following rules:

1. The requisition is prepared in duplicate by the originator who retains the duplicate copy for reference. Requisitions may be prenumbered and have a letter to designate the school or department for identification purposes.
2. The original copy goes to the purchasing agent (PA) who checks on inventory, pricing information, budgeting code, proper approval, availability of funds (encumbrance).
3. Those for which there are unencumbered funds are approved for processing.
4. Those for which there are not sufficient unencumbered funds available are rejected.
5. A rejected requisition is returned to the originator who has two options:
   a) He/she may abandon the request.
   b) He/she may return the requisition to the purchasing agent along with a request for a transfer of funds.
6. If the request for transfer of funds is denied, the requisition is returned to the originator along with explanation.
7. If the transfer request is approved by the proper authority, the requisition is resubmitted to the purchasing agent with the approved transfer request.
8. The processing resumes as in #2 and #3 above.
9. The purchasing agent then reviews pending requisitions for proper handling:
   a. Is a formal bid required?
   b. Is an informal solicitation indicated?

B. **Preparing Specifications.** Before an order is placed, or bid solicited or quotation requested, the purchasing official must specify what is desired in order that prospective vendors may intelligently bid or quote prices and/or fill orders.

1. Specifications may be very simple or in considerable detail.

Example: Tape Cellophane 1/2" x 2592" Roll

Example: Ten Key Adding Machine NCR #11-101 or Equal

Example: Items of office equipment may require a lengthy description of type, style, material,

and sometimes method of construction (see Appendix #5).

2. When a brand name is used to identify the product requested, "equal to or better" products of similar or superior function, purpose, design, or performance characteristics may be substituted for the brand name product, unless the purchase is made under a special board resolution permitting standardization (Section 103, subdivision 5, General Municipal Law). See paragraph on Standardization, Chapter IV.

C. Requesting Bids or Quotations. The purpose of obtaining bids or quotations is to encourage competition in the procurement of supplies, equipment, and services which will be paid for from public funds. It has the further purpose, of course, of discovering what a given item will cost, where it can be obtained, and when delivery will be made.

1. The information provided in a request for bid or quotation should cover at least the following points:
   a. Items and quantity desired.
   b. Latest date on which bid is to be returned. A reasonable span of time between request and return of bid should be provided. General Municipal Law, Section 103, requires at least five days notice but ten days to two weeks is recommended.
   c. A statement as to whether an item-by-item bid, a total bid, or both are required.
   d. When catalog numbers are used to describe an article, the catalog should be identified by name and date.
   e. Packing and delivery instructions and marking of shipment must be specific.

2. Requesting bids is required by state law when an item or a commodity group exceeds the dollar limits established by General Municipal Law, section 103. Current dollar limitations established in law require that all school districts' purchases involving the procurement of a stated "item" or commodity group which will necessitate the expenditure of $5,000 or for public works $7,000 in any given fiscal year shall be advertised and awarded on the basis of formal bids. The advertising shall take place in the newspaper(s) designated for the purpose by the board of education. A minimum of five days must elapse *between* the first publication of the advertisement and the formal opening and reading of bids. This law is discussed in further detail under Chapter IV.

   The procedure for purchasing under these provisions should include:
   a. Proper publication of the advertisement for bids. In addition, a district may send typed copies of the advertisement to potential suppliers or otherwise call their attention to the advertisement. (See sample advertisement, Appendix 4.)
   b. Sealed bids should be received, time-stamped, recorded, and kept in a safe place until the appointed day and time when they are publicly opened and read. It is important to note that the law requires **sealed bids** therefore, **"faxed"** bids **may not** be accepted.
   c. Certified checks and bid bonds, if required by the board of education as bid or performance security, should be examined for accuracy and recorded.
   d. Bids should be checked and analyzed for compliance with specifications and law. Advice of the board's attorney is often sought concerning the latter. (See sample specifications and bid forms, Appendix 5.)

3. Requesting quotations on an item or items involving an expenditure that does not exceeds the dollar limits established by law requiring competitive bids. While the basic principles of purchasing apply to all procurement, the procedure may vary in detail depending on the dollar value of the item purchased. To go through the same procedure for a $5.00 order as for a $1,000 order may result in a waste of both time and money. The following steps are recommended in processing quotations:
   a. Send request for quotations to prospective suppliers or vendors. (See Appendix 10.)
   b. Receive and tabulate quotations from vendors,
   c. Check quotations for compliance with requirements, unit price, cash discount, free on board (f.o.b.), and terms.

D. Award of Contract or Issuance of Order.

1. A contract or formal bid (usually for purchases and/or services subject to provisions of the General Municipal Law) may be awarded by a formal written contract or by the issuance of a purchase order. In either case, the award should be made to the lowest responsible bidder meeting specifications. All action should be by formal resolution of the board of education and is usually taken after recommendation is made to the chief school officer by the purchasing official.

Formal contract documents are not reserved solely for large contracts such as for construction, but vendors (especially repairpersons) often require contracts. Any contract document should be approved by the board's attorney before it is signed. The contract is signed by the designated official, usually the president of the board of education.

In most cases, school districts issue a regular purchase order after board award of contract to the successful bidder(s). The order will refer to the bid submitted, to the specifications which will be attached as part of the contract, and will bear the price or prices indicated by the bidder in his/his bid.

2. Purchase orders issued on purchases under the bid limit:
   a. Orders are signed by the purchasing official.
   b. Essential information to be included in the purchase order:
      (1) Quantity and unit package of the item.
      (2) Description of item or items.
      (3) Quoted price (including delivered free on board (f.o.b.) shipping point).
      (4) Packing and marking instructions.
      (5) Method of shipment: parcel post, express, freight, truck, cheapest way.
      (6) Place and time of delivery.
      (7) Terms—request that any discounts by reason of payment method be stated (example: cash discount 2 percent 10 days).
      (8) Accounting code(s) for item(s) purchased.
   c. The purchase order should not call for services or conditions beyond those indicated on the quotation sheet and accepted by the vendor.

3. Petty cash purchases.

   Although, Education Law does make provision for a Petty Cash Fund it is to be operated in accordance with regulations established by the Commissioner of Education. (See Section 170.3 of the Regulations of the Commissioner of Education.) These regulations limit the amount of the fund by size and type of district. In addition, they permit payment from the Petty Cash Fund only under conditions calling for immediate payment upon delivery. Constant vigilance must be maintained to assure that regular purchasing procedures are not being circumvented by petty cash purchases.

E. Follow-Up of Order for Delivery. The purchasing official has the responsibility for following up contracts and orders to expedite delivery. The urgency for follow up will depend on circumstances such as the need for items on a certain date, experience with the vendor, market conditions, transportation conditions, and nature of the material to be purchased. A definite routine for follow up on critical items should be established. The requisitioner should be kept advised as to the status of his requisition.

F. Invoice from Vendor. When the invoice is received from the vendor, the purchasing official should review it to verify that the price agrees with quotations or contract figures and the terms of the order, including f.o.b. shipping or delivery point.

G. Receipt of Goods. Upon receipt, goods should be checked for condition and for quantity and quality as stated in the purchase order or contract. This may be accomplished by having the receiving employee sign a packing slip or the receiving copy of the purchase order and forward it to the purchasing official as evidence of receipt of goods or materials. If only a partial shipment is received, the purchasing official may wish to prepare a confirmation order listing the material not shipped. This confirmation order will not only advise the vendor of the continued desire to secure prompt delivery of the balance of this back order, but will place in the file of outstanding orders a copy of this back order. The carbon copy of the back order confirmation will replace the original purchase order pulled from the file of outstanding orders when this original complete purchase order is attached to the invoice covering the partial shipment and moved up for audit and payment.

The purchasing agent indicates to the auditor, clerk, or other official entrusted with the processing and payment of claims that all goods covered by the claim have been received in good order. This approval of the officer giving rise to claim is required of all invoices by Education Law, Section 1724.1. The certification may be placed on each individual bill or it may appear on the warrant.

H. Quality Control. The testing of items received for conformity with specifications and for determination of potential ways to improve specifications is an important part of purchasing. Some steps that may be used are:

1. Compare with sample, if one has been submitted.
2. Apply a specific use test when possible. This means the actual application of the item for the purpose intended. Example: paper towels can be checked for ability to dry the hand without disintegrating.

3. Use a laboratory test if necessary. Example: paint can be checked for durability, consistency, spreadability, and colorfast characteristics.

I. **Approval for Payment of Invoice or Claim.** The final step in the purchasing procedure is the approval of the invoice or claim for payment either by the board of education or the internal auditor. As indicated under G above, this must follow notification to the accounting office that the goods covered by the claim voucher have been received in good condition. Prompt payment of claims can mean taking advantage of discounts which should result in substantial savings. School districts having an auditor (Section 2526 and Section 1709, subdivision 20-a, Education Law) to approve bills for payment are in a particularly good position to take advantage of cash discounts. The appointment of an internal claims auditor is recommended as a step forward in modernizing the structure of school business administration.

In those districts where the payment of claims must wait upon audit and approval by the board of education, special arrangements may have to be made with vendors in order to take advantage of discounts. Prompt payment promotes good relationship with vendors.

The basic steps in good procurement program discussed above are summarized in Appendix 3.

CHAPTER II

RELATIONSHIP OF PURCHASING TO OTHER SCHOOL FUNCTIONS

The purchasing procedure does not take place as an isolated administrative function. The individual responsible for purchasing must always keep in mind all functions of the school system and, in larger schools, must work closely with all offices and departments of the system.

To operate efficiently the purchasing agent must be given proper authority and cooperation in his relationship with the educational and nonteaching staff. The following are suggested as helping to define this relationship.

1. Requests for prices and/or repair service should be made by the purchasing agent, except in rare instances. In any case, the final commitment should be made by the purchasing agent through the issuance of a purchase order.
2. Salespersons should be discouraged from visiting classrooms, schools, or departments for the purpose of selling their products. For information on special or technical items, a school or department should request the visit of sales personnel through the purchasing department.
3. Communications with suppliers should be handled by purchasing personnel. Where desirable on technical matters, the purchasing agent may delegate authority to contact a supplier.
4. The purchasing agent should be in a position to seek advice from his colleagues in matters of common interest. The purchasing agent should not be expected to be an expert in all matters. For example, he/she should be free to counsel other employees such as the director of music or the director of physical education on matters associated with such departments.

The relationship of purchasing to other school functions is outlined below:

A. To Educational Services.

1. Designation of certain items is the responsibility of the instructional and supervisory staff, and there should be agreement on a standard of quality. Example: Textbooks are procured by the purchasing agent after adoption of texts by the board of education and upon the advice and recommendation of the chief school officer.
2. Educational personnel should be relieved of the details of procurement of supplies and equipment, including contacting sales personnel.

B. To Finance Department.

1. For budget preparation the purchasing department may:
   a. Provide estimates of needs.
   b. Provide market information, i.e., estimated prices, best time to purchase.
2. For budget control, cooperation is essential before purchases are made and funds encumbered.
   a. The right time to purchase, from a market standpoint, may be the wrong time in terms of available school funds.
   b. The finance department should be alerted concerning extraordinarily large commitments.
   c. Allocation of funds is necessary prior to purchasing. Sufficient unencumbered balances must be available or adequate transfer of funds arranged.
   d. Correct coding of purchases is necessary in order to charge each item to the proper account.

C. To Accounting or Auditing Division. Prior to payment, the responsible official should check the following:

1. Packing slip or duplicate copy of invoice has been properly approved by the receiver and the purchasing official. Any adjustments for breakage and shortage are shown.
2. Invoice has been compared with purchase order and any back orders noted.
3. Available discounts are shown and taken, i.e., quantity or cash discounts.
4. Recommended accounting classification is indicated.

D. To Building or Maintenance Department.

1. Prior approval of this department should be obtained for equipment requiring utilities service or attachment to buildings.
2. Approval with reference to the safety factor of equipment to be procured should also be cleared with this unit. Some of the important considerations to check are:
   a. Potential danger to user. (Electrical equipment may be dangerous unless properly shielded.)
   b. Fire hazard. (Underwriters approval is desirable on much equipment.)
   c. Danger of splinters from wood and from sharp edges on metal.

E. To Legal Department. (May be district's legal advisor.)

1. Purchasing within scope of statutes and regulations may require legal counsel.
2. Approval of contract and other forms should be required.
3. Advice in connection with acceptance of bids may be necessary.
4. The matter of proper security (certified check, performance and bid bonds) may be cleared with legal department.
5. Decision as to when informalities on formal bids may be waived is a matter for legal counsel.
6. Advice of counsel may be desirable prior to the purchasing official's recommendation to the board of education for an award of contract.
7. The approval of the form of any contract should rest with the legal department.
8. Interpretation of the following laws and regulations affecting purchasing may be necessary:
   a. Advertising law—General Municipal Law, Section 103.
   b. State Education Department Regulations governing transportation.
   c. Department of Transportation Regulations governing transportation.
   d. Minimum wage law (on public works contracts).
   e. Child labor law.
   f. School bus purchase (Education Law, Sections 3602 and 3623; Local Finance Law, Sections 32.00 and 33.00).
   g. Local school district policy.
9. School districts as governmental subdivisions are tax exempt. Taxes included on a vendor's invoice should be deducted before payment.
10. The right to reject all bids for valid cause is reserved to the school district. Also reserved is the right to reject, *for cause*, any bid in whole or in part; to waive technical defects, qualifications, irregularities, and omissions if in its judgment the best interests of the district will be served. Also reserved is the right to reject bids and to purchase items on State Contract or County Contract, if such items can be obtained on the same terms, conditions, specifications, and at a lower price. (County Contracts, General Municipal Law, Section 103, subdivision 3, and State Contracts, General Municipal Law, Section 104.)

CHAPTER III

PURCHASING PROCEDURES

Control of Educational Needs

Purchasing should be carried out under principles of sound business management and must be within the scope of Federal and State laws, local ordinances, board of education policy, and State Education Department decisions.

It is the responsibility of the purchasing official of a school district to have the required supplies and equipment on hand when needed, in the necessary quantity, and of a quality best suited for the project. Sources of supply, price, delivery, stores management, and salvage are also generally involved in the purchasing function. A number of these aspects of purchasing are considered in this chapter.

A. Quality of Product. Circumstances and use are determining factors in quality selection. In some instances an inexpensive article is adequate. There are many other situations when only the best grade is acceptable and proves most economical in the long run. Thus, the purchasing official, with his knowledge of markets and materials, has an important part to play in the selection of quality.

1. Standardization of Equipment Authorized by Law.

   Section 103 of the General Municipal Law permits a board of education to standardize on items of equipment and supplies. For example, a specific make or model of school bus or matching types and styles of furniture may be procured. (See "Standardization of Equipment Authorized by Law," found in Chapter IV on Competitive Purchasing.)

2. Standard or quality selection should be cooperatively determined.

   Educational supplies and equipment are generally and broadly defined as items used by schools, such as instructional, office, medical, custodial, and maintenance needs. However, there are considerations peculiar to each type of supply or equipment. Some of these are set forth below.

   a. Instructional supplies and equipment.
      (1) Selection of titles and authors of textbooks is the responsibility of the educator.
      (2) For classroom equipment and supplies the purchasing agent should be an adviser to the educator in the selection of quality. This cooperative approach will assure the procurement of a quality that is consistent with long-run economy and classroom requirements.
      (3) Standard lists of supplies should be established for grades, classes, and schools. (See such list, Appendix 12.)
   b. Maintenance and operations.
      (1) Equipment—the plant supervisor or the custodian may require a certain brand or manufacturer's article to fit into an established operation. For example, a particular valve may be required in a plumbing or heating system. In the procurement of such maintenance equipment as floor machines, brushes, mowers, etc., consultation between the using department and the purchasing agent should result in setting up specifications covering a satisfactory type or grade of equipment.
      (2) Supplies—the savings of a few cents in the purchase of an item may be negated by the cost of additional labor in its application or use. A cheap floor wax may require more labor for application and

upkeep than a more expensive kind, thereby causing a possible additional cost for maintenance far offsetting a savings in original cost. In such matters, the custodian should be of considerable assistance as an adviser.

c. Office equipment and supplies.

(1) The maintenance of an established system of books and records may require replacement by a particular make of equipment, such as for bookkeeping, tabulating, and data processing equipment. Standardization may, therefore, be advisable in procuring these items.

(2) Ordinary office supplies should be purchased on a competitive basis if bidding is required because of the dollar volume, or when the quantity desired is sufficient to indicate a potential saving which will pay for the additional labor involved. Pencils, paper, typewriter ribbons, etc., should be based on specifications covering the desired quality after an agreement has been reached as to styles and types needed.

d. Transportation equipment and supplies.

(1) Equipment such as buses and trucks should be selected on the basis of the most suitable type based on past experience and road conditions.

(a) Conventional type of bus (motor under hood)

(b) Light-duty vs. heavy-duty

(c) Size of bus (pupil capacity).

(2) For interchange of parts it may be desirable to have two or more buses or trucks of the same make in a fleet in order to insure continuing operation.

(3) Standardization of buses is permitted by law. (See "Standardization of Equipment Authorized by Law," found in Chapter IV, Competitive Purchasing.)

3. Factors influencing quality determination in the purchase of equipment items are:

a. Long-term or short-term investment

b. Economy of operation over a period of time

c. Budget control (availability of funds at specific time)

d. Labor-saving possibilities

e. Dependability in an emergency

f. Ease of maintenance by board's employees

g. Economy in repairs—cost of parts

h. Service rendered by vendor when required

i. Standardization, if approved

j. Durability for the "long pull."

4. Factors influencing quality determination in purchase of supplies are:

a. Repetitive items—supplies used constantly in a school system

b. Uniformity of product over a period of time

c. Ease of use by students, teachers, or custodians

d. Economy—price not always the final factor

e. Labor-saving—a final consideration in many cases

f. Suitability for purpose purchased

g. Standard list of supplies.

5. Some of the criteria for measuring quality are:

a. Physical properties. Frequently, certain characteristics are important in establishing the desired quality. Tests such as the following may be made to check for such characteristics:

(1) Tensile strength of metals

(2) Bursting, folding, and tearing strength of paper

(3) Dimensions, such as tolerance in size (1/1000 of inch)

(4) Common thread count for textiles

(5) Formula of product

(6) Purity and strength of product.

b. Performance of product. The following examples of tests may be run to determine what a product will do or accomplish.

(1) Wearing and covering qualities of paint

(2) Absorption qualities of paper towel.

c. Valuable information for the purchasing official and the using department on many products is contained in the publications *Consumers' Bulletin* (Consumers' Research, Inc., Washington, NJ) and *Consumer Reports* (Consumers' Union, U.S., Inc, 256 Washington St., Mt. Vernon, NY).

6. Specifications for items to be purchased should be clear and concise so as to place the basic responsibility on the seller to provide a product that will meet the needs of the user. To assure quality standards in items to be furnished, specifications should indicate to the vendor what is required and expected. Specifications may be simple or written

in considerable detail depending on the importance of the item or the necessity for minute description to define type and quality demanded.

a. Specifications may describe requirements in terms of:
   (1) Chemical composition
   (2) Physical, chemical, or electrical characteristics
   (3) Materials and method of construction
   (4) Dimensions and tolerance
   (5) Manufacturer's description or model number (the words "or equal" must be added unless standardization has been authorized)
   (6) Board of Education sample
   (7) Bidder's sample, when requested
   (8) Performance factors.

b. Specifications and instructions, especially on bids, should include the following (See Bid Form, Appendix 5):
   (1) The bid price is to be the net delivered price. There is to be no charge for delivery or insurance.
   (2) Definite or approximate quantity required.
   (3) Where and when delivery is to be made. Reasonable penalty clause for nondelivery on time may be included if deemed essential.
   (4) Statement when award will be made.
   (5) If an alternate bid is requested, details must be given as to what alternate includes.
   (6) If sample showing quality desired is available, statement where bidder may inspect such sample.
   (7) If bidder is requested to furnish a sample for conformity, statement where and when such sample is to be delivered.
   (8) Type of packing required.
   (9) Statement that board reserves the right to reject all bids and to waive informalities or minor irregularities.
   (10) Requirement of bidder's guarantee that all goods meet specifications and that he will replace all nonacceptable items at his own expense.
   (11) Sample contract documents (if any) which are to be signed by the successful bidder and the school district.
   (12) Statement of any surety required; i.e., certified check or bid bond, and performance bond, if a condition of the contract.
   (13) If specifications call for a piece of equipment to be taken in trade, they should state where such an item may be seen by bidder.
   (14) Explanation of how tests for conformity with specifications will be made.
   (15) Official proposal sheet or bid form.
   (16) Statement of Non-Collusion

c. Specifications may be based on:
   (1) A very detailed description of equipment or supplies required (see Specification, Appendix 5).
   (2) Standard specifications available from a number of sources. Some of the best known are:
      (a) Federal Bureau of Standards ordinarily known as Federal Specifications (write to the General Service Administration, Washington, D.C., 20025).
      (b) Specifications of American Society for Testing and Materials (1916 Race Street, Philadelphia, PA 19103).
      (c) Specifications of American Society of Mechanical Engineers (345 East 47th Street, New York, NY 10017).
      (d) Specifications of New York State Division of Standards and Purchase (Office of General Services, Corning Tower, Albany, NY 12242).
   (3) The buyer's sample—available to all bidders.
   (4) Designation of a trade name as a standard.
   (5) Designation of a manufacturer's number as a standard, for example, Smooth-on #4 Plane.
   (6) The bidder's sample, blueprint, or catalog page. Bidder's sample, if accepted, should be retained until contract has been satisfactorily completed.

d. Specifications should be broad enough to allow for:
   (1) Compliance and competition.
   (2) Use of commercial standards or products where possible. Deviations from such standards generally result in greater costs to the district.

7. Quality control (testing). On receipt of shipment, goods should be checked to ascertain if they meet specifications. This may be done in several ways:
   a. By checking of descriptive label on standard package; i.e., to see that Smooth-on #4 Plane is so boxed and labeled

b. By comparing with school district's sample

c. By actual use test (this is one of the best and most satisfactory methods).
   (1) Does soap or detergent do the work for which intended?
   (2) Do towels dry hands satisfactorily?
   (3) Is magnet test used to determine brass or steel?
   (4) Is weight of item or groups of items checked by weighing?
   (5) Does drawing paper take ink without feathering?

d. By laboratory test, where necessary, in:
   (1) School district's own facilities
   (2) Government or city laboratory
   (3) College or commercial laboratory.

B. Quantity to Be Purchased (determination of needs).

1. Nonrecurring items (one-time purchase). Quantity determination for the purchase of a nonrepetitive or nonrecurring item to be used by one department or person presents no problem (i.e., purchase of a refrigerator for the cafeteria, a printing press for the print shop).

2. Recurring items. Quantity determination of repeat items of purchase for use by two or more departments or persons requires careful planning. Some helpful suggestions are given for expediting this kind of purchase.
   a. The purchasing official sets a specific date for bringing in requisitions for certain items or groups of items.
   b. The requirements of various units in the school are combined: i.e., a principal consolidates all the requests from various school units for a given item on one requisition.
   c. The purchasing official combines all the requisitions on a given item for the whole district.
   d. Items to be furnished have been included on standard supply lists, insofar as possible.
   e. Replacement of warehouse stock should be based on:
      (1) Inventory or stock record of item under consideration
      (2) Past usage and demand
      (3) Increase or decrease of pupil enrollment and number of teachers
      (4) Information from data processing, if this system is being used.

3. Factors determining economical quantity to be purchased:
   a. Rate of use. Does the item move quickly?
   b. Standard package. It is advisable to avoid breaking standard quantities such as ream, gross, carton, or set.
   c. Transportation cost. A truck or carload lot may result in a lower unit price.
   d. Quantity discount. An extra discount for a larger purchase may not be economical, if the additional quantity is in excess of need. The purchasing agent should beware of overbuying.
   e. Inventory record. This should give an excellent picture of needs based on past usage.
   f. Time required for delivery—whether immediate or involving extended waiting period. The economic situation at a given time may influence delivery.
   g. Storage facilities available.
   h. Market condition or trend.
   i. Cooperative sharing of items by departments or groups may be possible, for example, paper cutters, paper punches, visual aids.

4. Factors favoring large quantity, infrequent purchases:
   a. Budget control. Quantity purchases will reduce number of entries against an account.
   b. Better price. Volume purchasing frequently decreases unit cost. Price per unit may change at 25 or 100 units.
   c. Lower delivery cost. Usually the cost per hundred-weight decreases as the tonnage increases.
   d. Purchase department expense. Fewer orders necessitate less paper work, thus saving time and money.
   e. Adequate and continuous supply is assured. Many school systems have found it economical to contract for or to purchase supplies once a year on a cyclical basis. Delivery may be specified in one shipment or spread out over the year in several installments.

5. Factors favoring small, frequent purchases:
   a. Nonstorage cost. Warehousing overhead is eliminated.
   b. No deterioration. Merchandise is used up speedily.

c. Less danger of obsolescence. Newer models can be ordered.

d. Changing educational needs or user preference. Program changes are not held up because old supplies must be used.

e. Less insurance risk. Smaller value of stock to be protected from loss.

6. Recurring items may be purchased on annual contract or periodic large order basis for delivery as needed.

   a. Fuel oil for season's use.

   b. Electric lamps—incandescent and fluorescent.

   c. Milk, ice cream, bread, meats—school lunch items.

   d. Agreements for maintenance services for office machines, motors, clocks,and boilers.

7. Types of contract—for the purchase of school materials, the Definite Quantity or the Continuous Contract may be used.

   a. Definite Quantity Contract should be used when specific amounts of material are to be purchased at one time, with delivery in one lot or at specific times during the year. For example, 1,000 reams mimeograph paper, with delivery in one shipment or 250 reams quarterly.

   b. Continuing Contract is used when amount is indefinite (but estimated) for delivery during the fiscal year. For example, fuel oil as required. School lunch items as milk, bread, and ice cream come under this heading.

8. Frequent and recurring items relatively small in value may be procured by:

   a. Blanket orders issued monthly to local dealers for emergency needs:

      (1) Panes of window glass in less than full boxes.

      (2) Minor repairs to motor vehicles.

      (3) Oxygen and acetylene tank refills.

      (4) Day-to-day custodial needs for minor repairs.

   b. Setting up policy for buying and paying cash for small, incidental items. Board must establish rules and regulations for the operation of petty cash funds in conformance with Section 170.3, Regulations of the Commissioner of Education.

9. Confirming orders for emergency supplies after approval by the purchasing agent. While this method of purchasing is not recommended, there are instances where it may justifiably be used in order to save time and labor cost; for example, immediate repairs for electric and plumbing equipment or service.

C. Storage or Stocking of School Supplies and Equipment.

1. A central warehouse may be desirable in larger districts to provide storage facilities for the following:

   a. Extra desks and chairs for teachers and pupils.

   b. Computers and other equipment, i.e., stereos, audio-visual equipment, etc.

   c. Common office supplies.

   d. Electrical, plumbing, and other maintenance needs.

   e. Paper, pencils, crayons, and other fast-moving classroom supplies.

   f. Soaps, waxes, brushes, cans, lamps, and other custodial supplies.

2. Storerooms in school buildings. Limited space will probably prevent carrying any appreciable quantity except fast-moving items of ordinary classroom, office, and custodial supplies.

3. How much to order and store will be determined by available storage space. Whether to establish a central storeroom or warehouse depends on many factors. Among these are: size of system, number of buildings, convenience, proximity to markets, annual consumption of supplies. It is sometimes an accepted guide that if a school system has 10 or more buildings to service, a central warehouse may prove economical and convenient. Before a warehouse is established, the whole matter of delivery costs and warehouse expenses should be carefully investigated in a feasibility study.

D. Inventory Records.

1. Inventory records serve several main purposes essential to an efficient school business operation. These are: (1) the identification and location of equipment, items, and stocked supplies in school buildings, offices, and in a central storehouse; (2) the basis for estimating present value of items for insurance and budget purposes; and (3) the provision of information for quantity and adequacy control.

2. The type of records kept will vary from district to district. However, all districts may wish to include the following basic information:

a. Description of item
b. Identification number
c. Date of entry or accession.
d. Quantity on hand with critical balance at which time a reorder is initiated
e. Vendor or vendors
f. Historical cost. Depreciation, sound value, or replacement cost may also be recorded for equipment.
g. Location, school and room number, or warehouse.

3. Periodic physical inventory of stock and equipment is recommended. This should be done once a year for warehouse items and at specified times for valuable equipment in school buildings and offices.
   a. For insurance control
   b. To reduce excess stock
   c. To dispose of obsolete items
   d. To detect pilferage or loss by other causes.
4. A perpetual inventory system is desirable.
   a. Provides for stock control
   b. It is usually a business office record supported by cards or other inventory devices at the storage or location point. Data processing may be a help in stock control.
5. Educational contracts.

   In certain areas of purchasing it is possible to procure instructional equipment on contract by which the vendor agrees to replace his product with new equipment once a year or when new designs are available. It is well to check on such items as sewing machines, stoves, refrigerators, etc., for homemaking classes. The exchanges are either on the basis of no charge or a relatively small charge for the new model.

E. Salvaging Materials. The salvage of materials is usually considered a responsibility of the purchasing official. Board approval should be obtained for disposition of district-owned items in surplus.

1. Obsolescence.
   a. Items of equipment may be turned in on new purchases (e.g., old typewriters, printing press, refrigerators).
   b. Items of equipment may be offered for public sale.
      (1) These should be advertised if they are of considerable value, or
      (2) There may be acceptance of suitable offer from dealer or individual.
   c. In stock control it is desirable to use principle of "first in, first out" in order to use up old items and eliminate obsolescence. As far as possible old stock should be used before issuing a newer pattern or style. It is helpful to have the receiving date marked on stocked items.
2. Scrap.
   a. Metals should be sold for junk.
   b. Paper should be sold as waste paper.

CHAPTER IV

COMPETITIVE PURCHASING

Advertising Law

Competition is a basis for all purchasing, whether it be in industry or by governmental agency. The purchasing agent for a public school district, however, has many more restrictions placed on him than has the industrial purchasing agent. Federal and State laws as well as board policy set forth certain procedures which must be followed.

A. The Underlying Principles of Purchasing by Competitive Bidding.

1. To give all recognized and responsible vendors equal opportunity in furnishing supplies and equipment and services to the district.
2. To prevent the favoring of one vendor over another.
3. To keep district residents informed on business matters pertaining to schools.
4. To prevent fraud on the part of the purchasing official.

B. Purchases Exceeding the Dollar Limits Established by Law for Bidding Materials, Equipment, or Supplies. A purchasing procedure for all school districts in the State was established by Chapter 861 of the Laws of 1953 which added to the General Municipal Law Article 5-A containing Section 103. This Section, as last amended by Chapters 453 and 454 of the Laws of 1983, reads as follows:

"Advertising for bids; letting of contracts."

1. Except as otherwise expressly provided by an act of the legislature or by a local law adopted prior to September first, nineteen hundred fifty-three, all contracts for public work involving an expenditure of more than seven thousand dollars and all purchase contracts involving an expenditure of more than five thousand dollars, shall be awarded by the appropriate officer, board or agency of a political subdivision or of any district therein including but not limited to a soil conservation district, to the lowest responsible bidder, furnishing the required security after advertisement for sealed bids in the manner provided by this section. In any case where a responsible bidder's gross price is reducible by an allowance for the value of used machinery, equipment, apparatus or tools to be traded in by a political subdivision, the gross price shall be reduced by the amount of such allowance, for the purpose of determining the low bid. In cases where two or more responsible bidders furnishing the required security submit identical bids as to price, such officer, board or agency may award the contract to any of such bidders. Such officer, board or agency may, in his or its discretion, reject all bids and readvertise for new bids in the manner provided by this section.

1-a. Whenever possible, practical, and feasible and consistent with open competitive bidding, the officer, board or agency of any political subdivision or of any district therein charged with the awarding of contracts may use the stock item specifications of manufacturers, producers and/or assemblers located in New York State in developing specifications for items to be let for bid in its purchasing contracts and may use the data and information contained in stock item specifications forms as provided in section one hundred sixty-four-A of the state finance law to assist in his determination of what constitutes a stock item of a manufacturer,

producer and/or assembler located in New York state for the purpose of helping to retain jobs, business and industry presently in the state of New York and attracting expanded and new business and industry to the state of New York so as to best promote the public interest.

2. Advertisement for bids shall be published in the official newspaper or newspapers, if any, or otherwise in a newspaper or newspapers designated for such purpose. Such advertisement shall contain a statement of the time when and place where all bids received pursuant to such notice will be publicly opened and read. Such board or agency may by resolution designate any officer or employee to open the bids at the time and place specified in the notice. Such designee shall make a record of such bids in such form and detail as the board or agency shall prescribe and present the same at the next regular or special meeting of such board or agency. All bids received shall be publicly opened and read at the time and place so specified. At least five days shall elapse between the first publication of such advertisement and the date so specified for the opening and reading of bids."

There have been several amendments to this law since its adoption. Some have liberalized its provisions and others have interpreted its meaning.

A few of the interpretations of the statute which have been issued by the Courts and State agencies are presented under the following headings:

1. The Advertising Law requires competitive bidding on all purchase contracts involving an expenditure of more than $5,000 annually for items of materials, supplies, and equipment. This is generally interpreted as covering groups of items as well as individual items. There must be formal bidding with legal advertisement if a single item to be purchased exceeds $5,000 or the aggregate cost of an item or reasonable commodity grouping estimated to be purchased in a fiscal year would exceed that figure. (Opinion of the State Comptroller 59-647.) The limitation on public works contracts is $7,000 before formal advertisement is required. Public works contracts apply to those items or projects involving labor or both materials and labor. The law does not cover professional service contracts such as for insurance, telephone, electricity, water, or services performed by engineers, architects, and attorneys.
2. The law requires advertising for seasonal items. A season's supply of fuel oil for delivery on demand or the purchase of school lunch supplies, milk and ice cream, bread and meats as required, should be bid where consumption of such items is above the legally required dollar limit.
3. Formal advertising, is required when the annual purchases exceed the dollar limit established by the bid law. When a district buys an item of supply in two lots during the year and neither consignment reaches the bid requirement value, it is necessary to advertise if the annual purchases exceed $5,000 regardless of the number of deliveries called for during the school year. For example, the total value of paper or paper towels used during the year might run if purchased one-half in July and the other half in December, would be less bid law requirement (currently $5,000) for each purchase. Lack of storage facilities could also be a deterrent to accepting delivery in one lot. Other considerations may exist which would justify dividing the purchase.
4. The general intent of the law, and the school district's responsibility there under should be the basis for action. The general interest of the taxpayers and the economical and efficient operation of the schools should dictate the action to be taken by the district. Circumstances vary, and a procedure considered good for one district could work to the detriment of another. In *Pioneer Coal Company vs Board of Education* of the City of Rochester, Monroe County Supreme Court, Wheeler, J., September 10, 1949, it was held that "it is the well-settled law of this state that in the absence of fraud, corruption, or abuse of discretion, the judgment or discretion of the proper officials will not be disturbed by the courts." However, evading the intent of the law cannot be countenanced.
5. Specificity of bid proposals. Here again circumstances will be the determining factor. For example, a school district has the right to determine the kind of bus it requires as to type, size, power unit, and other important factors. Generally accepted educational practices may make it desirable to have the several makes of typewriters and office machines available for students, rather than have all computers of one make. The same principle may apply to homemaking equipment and shop machines. Educational authorities have the responsibility to specify which textbook is to be used without regard to competition. School officials certainly have the right to determine the type of pupil seating best adapted, in their opinion, for a particular district. It may be highly desirable to match existing furniture as far as possible in order to provide for flexibility and interchange of equip-

ment. Even a manufacturer's style or symbol may be mentioned in a specification to indicate the standard required. However, the phrase "or equivalent" should be included in order to provide for competitive bidding. When the low bidder offers an alternate or substitute, the board must determine whether the item offered is, in fact, equal to that specified. Remember that the award must be made to the lowest responsible bidder meeting specifications. Bidders may be disqualified for failure to meet specifications.

6. The bid limit refers to the net, not the gross price. In 1983, Section 103 of the General Municipal Law was amended clarifying that the bid limit applies to the net rather than the gross price. "In any case where a responsible bidder's gross price is reducible by an allowance for the value of used machinery, equipment, apparatus or tools to be traded in by a political subdivision, the gross price shall be reduced by the amount of such allowance for the purpose of determining the low bid." Examples are old typewriters, lathes, sewing machines, etc., turned in on purchase of new and so indicated in specifications. In such cases the bidding sheet usually provides for a gross price for the new item or items, less an allowance for the trade.ins, and the resulting net delivered price.

   When a discount is involved, the net price is the determining factor as to whether an item comes under the bid limitation. Thus, the discount is not considered to be a part of the payment. However, the specification should state that the board reserves the right to purchase by individual items, groups of items, or by total of all items in line with the best interests of the school district. The board should also specify that all discounts will be considered in determining the lowest responsible bidder.

7. Standardization of equipment authorized by law. Section 103 subdivision 5 of the General Municipal Law makes it possible for a board of education to standardize on a particular type or kind of equipment, material, or supplies by adopting a resolution, (a) "...by a vote of at least three-fifths of the members of the governing body of a political subdivision" affirming that there is need for standardization. The (b) "...resolution shall contain a full explanation of the reasons for its adoption." However, this action does not eliminate the necessity of advertising for bids and awarding the contract (c) "...to the lowest responsible bidder furnishing the required security."

   Standardization, as the word implies, permits and defines the purchase of a specific make, model, or type of equipment or supply. For example, to concentrate on one satisfactory make or model of school bus may be practical and economical because of the interchange of parts, or the ability of personnel to operate any one of the fleet of buses; or in the case of school or library equipment, it may be desirable to match existing furniture in design or color for aesthetic reasons.

   Although the approval of such action by a governing board does not eliminate the need for formal advertising on purchases over the bid limit, the words "or equal"—"or equivalent" are not required in the specifications. The make or model may be specified, and anyone who can furnish the item may bid. It would be advisable for the specifications to indicate that the board has standardized on the item(s).

   Section 103 subdivision 6 also provides that "surplus and secondhand supplies, material, or equipment may be purchased without competitive bidding from the federal government, the State of New York, or any other political subdivision or district."

   The Office of Counsel of the State Education Department has indicated that competitive bids are not required on new textbooks when the publisher is the sole source of supply. In the case of textbooks, however, it is advisable for the purchasing official to ascertain their cost on both a delivered price and at the publisher's plant. Then, on the basis of transportation costs, the district may determine which bid is the most beneficial. Library books and magazine subscriptions should be advertised, if the total is over the current limit of $5,000, as various vendors may be in position to bid.

8. Local agricultural purchasing. A board of education may, on behalf of the school district, separately purchase (1) eggs, livestock, fish, dairy products, species of fresh fruit and vegetables directly from producers or growers, and (2) milk directly from licensed milk processors employing less than 40 people pursuant to the provisions of General Municipal Law Section 103, subdivisions 9 and 10.

9. Emergency purchases without bidding are also provided for in an amendment to the advertising law. A public emergency may arise out of an accident or other unforeseen occurrence which could affect the life, health, or safety of children and where immediate action can not await competitive bidding. Fire or damage by the elements to electric systems or school plumbing come under this head. Authority for emergency purchasing is contained in Section 103, subdivision 4, of the General

Municipal Law. Note the words "accident" and "unforeseen occurrence." Boards of education should observe strict definition in declaring the existence of an emergency.

10. Advertising for bids, as required by the law, seems clear enough. To obtain as much coverage as possible and to reach the best markets, the suggestion is made for small or rural districts to advertise in a newspaper in the nearest city as well as in the rural paper. To be sure that the information covered by the advertisement is seen by suppliers who could bid on the district's requirements, it is well to mail copies of the advertisement and specifications to prospective vendors known to the school purchasing official and to post notices of bids in the district's business office. At least five days must elapse *between* the first publication of an advertisement and the date specified for the opening of bids. It is preferable, if time permits, to allow from at least five working days if not ten days to two weeks on bids.
11. Opening of bids. Advertised bids must be opened publicly and read aloud. Bidders and/or other interested persons may attend such openings. Bids should be opened by the purchasing agent or any other designated person. If there are no spectators present, it is advisable to have another person from the business office or administrative staff present as witness.
12. Recording and safekeeping of bids. Bids may be received at any time after advertising and before they are opened and read. It is highly desirable to date and time stamp the bids when received. Usually a special or distinctive envelope is provided by the district to identify the bid by name such as "Bid for Library Furniture" so that if bids for more than one project are to be opened at the same date and time, they may be properly grouped before opening. Any bid received after the official time for opening cannot be considered. A letter should be sent to the bidder with the unopened bid stating that bid was received after official time of opening.
13. Award of contract. If the board of education is in session when bids are opened, a contract may be awarded at once. However, it is advisable to review bids carefully, and a reasonable time may elapse between opening of bids and award of contract. In case identical bids are received, the award may not be divided. The board should determine which bidder is to receive the contract; or if the board believes there may be collusion between bidders, all bids may be rejected and readvertised.
14. Equipment requiring installation. This handbook does not go into detail in connection with construction contracts (new buildings, additions to buildings, etc.). However, when bids are requested on equipment to be installed or erected in a school building (such as lockers, shelving, and science equipment), the district should, in its specifications and instructions to bidders, specify that the vendor is to comply with all state and local regulations relating to labor, such as minimum hourly wage, working conditions, insurance, and safety factors. The inclusion of such requirements may eliminate confusion and possible misunderstanding between the vendor and the district as the work progresses and insure no work stoppage because of infringement of labor laws or regulations.
15. Bidder's withdrawal of bid submitted. Information to bidders usually states that bids cannot be withdrawn for a specified number of days, e.g., 45 days. A problem arises when a contractor, upon being notified that he will be awarded a contract for a job, refuses to enter into a contract of performance because he discovers he made a mistake in preparing his bid and cannot perform at the price mistakenly quoted. Many such cases have "gone to court." A contractor is generally allowed to avoid his commitment if he can meet *all of the five* following conditions: (1) His/her mistake is *material* - it involves an amount so large as to result in a substantial loss to him. (2) Enforcement of the contract is *unconscionable* (excessive, unreasonable, unfair, unjust). The contractor must be able to show that performance will amount to a hardship on him. (3) The mistake is *not due to gross negligence* - when the figure he submitted in his bid is erroneous because of a mathematical or clerical error in tabulating or transferring figures. Relief would be denied for an error in judgment. (4) The bid must not work a substantial *hardship on the school district* - that is going to the next higher bidder will not cause unreasonable hardship on the district. (5) *Prompt notice* of the error must have been given to the owner of the work project before the award is made.

C. Multi-year Leases and Installment Purchases. The motivating factor behind use of multi-year leases and installment purchasing over traditional methods of acquiring equipment, machinery and apparatus is ones ability to make payments over the life of the equipment; and more importantly, technology has advanced so rapidly that equipment becomes technologically obsolete before its physical life is over. Technological developments bring about either new techniques of

instruction or more efficient operation. The sections of law that govern such agreements are as follows:

1. Lease/Rental of Personal Property. Section 1725 of the Education Law Provides that:
   a. The board of education may enter into an agreement for the lease of personal property.
   b. The board of education must adopt a resolution stating the reason why such agreement is in the best financial interest of the district.
   c. The agreement may not exceed the current year unless such agreement is approved by the voters.
   d. Such agreements are subject to competitive bidding requirements if the total amount over the term of the contract exceeds the dollar limit for purchases established by Section 103 of the General Municipal Law.

2. Lease Purchase Agreements for Instructional Equipment. Chapter 759 of the Laws of 1986 added Section 1725-a to the Education Law, which authorizes school districts to enter into lease purchase agreements for instructional equipment subject to the bidding requirements of the General Municipal Law. This section also provides that the Commissioner of Education shall promulgate regulations defining "instructional equipment" and that any such lease purchase agreement must have the prior written approval of the Commissioner before execution. In accordance with the requirements of the act regarding definition of instructional equipment and prior approval of lease purchase agreements, the Board of Regents amended the Regulations of the Commissioner of Education by adding a new Section 170.7 which reads as follows:
   a. The board of education of any school district may enter into agreements for the lease-purchase of instructional equipment, in accordance with section 1725-a of the education law and this section, with the payments to be applied against the purchase price of the equipment.
   b. All such lease-purchase agreements shall be subject to written approval of the commissioner before execution. Applications for approval of lease-purchase agreements shall be in a form prescribed by the commissioner and shall be submitted no more than ninety (90) days and no less than thirty (30) days prior to the date of execution of the agreement. A variance may be granted from the time limitations for submission of such applications upon a showing of good cause satisfactory to the commissioner.
   c. As used in Education Law, section 1725-a and this section, instructional equipment means instruments, machines, apparatus or other types of equipment, which are used directly in the instruction of students and which:
      (1) are not consumed in use and retain their original shape and appearance with use;
      (2) are not expendable items such as textbooks or supplies;
      (3) are not capital improvements, as such term is defined in subdivision 9 of section 2 of the Local Finance Law, and
      (4) do not lose their identity through incorporation into a different or more complex unit.

Note: It is the opinion of the New York State Education Departments' Office of Counsel that it is necessary to have a voter-approved appropriation in order to lease purchase instructional equipment pursuant to the provisions of Education Law 1725a.

3. Installment Purchase Contracts. During the 1983 legislative session, legislation introduced at the request of the Comptroller's Office amended General Municipal Law, section 109-b to authorize the use of installment contracts for the purchase of equipment, machinery and apparatus. The legislation (L. 1983, ch. 704) became effective October 24, 1983. Prior to this amendment, only data processing, word processing and office copying equipment could be purchased.

   For the purpose of section 109-b, agreements, whether they be titled installment purchases, lease-purchases or leases with options to purchase, constitute installment purchase contracts when a component of the periodic rental payment is in reality an installment payment applied toward the purchase of the equipment. The political subdivision is building equity in the equipment over the course of the agreement. This results in title passing to the school district automatically or for nominal consideration at the end of the term of the agreement, or for an option price which is an amount less than the fair market value of the equipment at the time of purchase (Opns St Comp, 1982, No. 82-51; Opns St Comp, 1980, No. 80-187).
   a. Competitive Bidding Required for Installment Purchase Contracts,subdivision 6 of section 109-b makes it clear that installment purchase

contracts constitute purchase contracts for competitive bidding purposes and are subject to competitive bidding requirements if the total amount proposed to be paid over the term of the agreement exceeds the current dollar limit for purchases of $5,000. It is anticipated that competition will be sought on the actual total price of the equipment, machinery or apparatus, including any interest component. Thus, the lowest responsible bidder would be the one whose overall price, including any finance charge, is the lowest.

b. Installment Purchase Contracts are not considered indebtedness. Section 109-b mandates that all installment purchase contracts (IPCs) contain the so-called "executory clause" set forth in the statute as follows:

   This contract shall be deemed executory only to the extent of the monies appropriated and available for the purpose of the contract, and no liability on account thereof shall be incurred by the purchaser beyond the amount of such monies. It is understood that neither this contract nor any representation by any public employee or officer creates any legal or moral obligation to request, appropriate or make available monies for the purpose of the contract.

   The purpose of the insertion of this clause is to avoid categorization of installment purchase contracts as unauthorized debt of the political subdivision. Section 109-b(4) provides that an installment purchase contract is not deemed indebtedness for debt statement purposes and that such contracts are not deemed an evidence of indebtedness under the Local Finance Law.

c. Section 109-b also provides that:

   (1) the governing body of the political subdivision must approve the contract;

   (2) any down payment not exceed 10 percent of the full contract price;

   (3) each installment payment be substantially equal (to prevent unseen impact on future taxpayers);

   (4) no payment be financed by the proceeds of bonds or notes (to avoid payment of double interest); and

   (5) no payment shall be deemed a payment of all or part of the cost of an object or purpose for which bonds may be issued (to prevent use of the "pay-as-you-go" financing provisions of the State Constitution and the financing of installment payments outside both the debt and tax limits).

d. Installment Purchase Contracts **are subject to a referendum in noncity school districts.** The contract is subject to referendum requirements, if the issuance of obligations would have been subject to referendum; hence any installment purchase contract issued by a central or union free school district will be subject to referendum.

D. Multi-Year Service Contracts. Multi-year service contracts should not be entered into in the absence of specific legislative authority. The legislative authority currently available to school districts, subdivision 14 of Section 305 of the Education Law, provides for multi-year transportation and cafeteria service contracts only. Contracts for such items as cleaning/maintenance, trash removal, maintenance of clock systems, care of grounds and snow plowing, should:

a. be for a single year only,

b. be bid as a public works contract,

c. require the payment of minimum wage rates and supplements and,

d. specify which party provides equipment and supplies. A contract for the purchase of management services for cleaning and maintenance of school buildings would also, need to meet the above conditions, unless exempt as a professional service under General Municipal Law. In any case, where contracts include the purchase of supplies, materials and equipment the one year contract limitation and the bidding requirements of 103 of the General Municipal Law apply.

CHAPTER V

PURCHASING THROUGH AGENCIES OTHER THAN VENDORS

A. Office of General Services. State laws make it possible for school districts to purchase supplies and equipment through the State Office of General Services (OGS) without competitive bidding. The purchasing agent may take advantage of State contracts for the purchase of such items as computers, mower, and buses. The use of State Purchase Contracts is considered a good business practice in view of the generally lower prices available by this method of purchasing. The costs of advertising, developing bid specifications and quality control of the items are not borne by the local district. OGS does not actively solicit participation by school districts in their purchase contracts, but welcomes inquiries and provides information on request.

Requests for copies of contracts, inquiries regarding availability of contracts, and questions regarding purchases under the State Contract system should be submitted in writing to:

Purchase Coordinator
Office of General Services
Standards and Purchase Group
38th Floor, Corning Tower Building
Empire State Plaza
Albany, NY 12242

B. Purchase of Prison-made Goods. Section 184 of the State Correction Law, as well as an interim opinion by the Attorney General, makes it mandatory for all subdivisions of the State, including school districts, to secure their requirements from the Division of Industries, State Department of Correction, to the extent to which such requirements can be supplied. If the desired goods are not promptly available, a "Certificate of Release" should be obtained from the Division of Industries. A catalog of prison-made goods may be obtained from Department of Correction, Division of Industries, 550 Broadway, Menands, NY 12204.

C. Products Made by the Blind and Handicapped. Such products must be purchased without public bidding as stated in Sections 175-a and 175-b of the State Finance Law as amended by Chapters 771 and 611 of the Laws of 1974 and 1978, respectively.[3] Suitable products produced by the blind and generally used by schools, such as brooms, brushes, wet mops, dust mops, towels, and other items have been approved by the Office of General Services for specifications and price, and are listed in a catalog of products which is available from the Industries for the Blind of New York State, Inc., 1522 Central Avenue, Albany, New York 12205. Products of the New York State Industries for the Handicapped include items such as ball point pens, picture frames, file folders, calendar desk pads, metal book ends, mail trays, and drawer organizers. Further product information may be secured from New York State Industries for the Handicapped, 60 Madison Avenue, New York, NY 10010-1557.

D. Participation in County Contracts. School districts are permitted by law[4] to take advantage of county purchasing contracts providing the program has been authorized by the board of supervisors of the county legislature in which the school district is located.

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[3] State Finance Law, Sections 162, 1.5, 1.5-a, 1.5b; State Correction Law Section 184.

[4] General Municipal Law, Section 103, Subdivision 3.

E. Cooperative Purchasing. Cooperative purchasing agreements may be made by two or more school districts. Any agreement entered into must have the approval of the governing bodies of each district willing to participate, and costs of operation are prorated in accordance with the volume of purchases and utilization of these arrangements by each participating district. Such a joint operation may be effected through a Board of Cooperative Educational Services.[5]

In addition to cooperative purchasing agreements, it is possible for two or more school districts jointly to advertise and receive bids for any materials or supplies desired, provided regulations are followed which apply for any purchases made by individual districts. Agreements must be clear as to procedural details and specifications between the participating school districts, before such joint action can be undertaken.

The participating districts may appoint one official or one body to recommend award of contracts after advertising and bidding. Specifications may also be written requiring vendors to deliver items to and bill each district separately for its portion of the contract.

It has been demonstrated that cooperative purchasing by two or more districts has resulted in lower prices because of the larger quantities involved, and savings have resulted to the districts in expense, time, and effort.

Buses, among other items, have been purchased cooperatively to the advantage of the participating districts, where the districts have agreed in advance on common specifications. Many other items of supplies and equipment lend themselves to cooperative purchasing. The advertising law still applies in cooperative bidding and purchasing projects.

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[5] General Municipal Law, Section 199.o.

CHAPTER VI

PURCHASING FORMS, RECORDS, AND RECOMMENDATIONS

In order to perform his/her duties and serve the district effectively, the school purchasing official requires information, records, and forms. Depending on the size of the district, these tools may be complex or simple. Adequacy and expediency should be the test. Not the least of the aids to good purchasing is a continuous evaluation of the procurement program.

A. Purchasing Records.

1. Commodity information records may be on cards or loose-leaf pages with description of item of equipment or supply entered on them. A supply of such forms can be reproduced in the desired format in advance of need.
2. Record of orders placed include:
   a. Date of order, order number, and name of vendor
   b. Quantity, unit price, total price
   c. Record of receipt
   d. Comments as to quality, service, delivery, packing, etc.
3. Vendors' directory should include:
   a. Office address and phone number of vendor
   b. Name of person to be contacted
   c. Type of supplies or equipment carried
   d. Financial rating or comments
   e. Notes on past performance.
4. Contract record for formal purchase contracts and public work contracts, over $5,000 and $7,000 respectively, should contain official data and papers on such contracts.
5. Specifications record should include:
   a. Description of common-use supplies
   b. Comprehensive details on equipment frequently procured with changes entered as required to keep information up to date.
6. Periodic reorder calendar or tickler file should be maintained:
   a. For annual items
   b. For seasonal items—example: lawn mowers, snow shovels, rock salt
   c. For special items requiring time element for delivery.
7. Follow-up record of orders should be kept:
   a. On specific orders, where advisable because of importance of meeting delivery date
   b. For routine check for periodic cancellation of outdated orders or those which fail to meet conditions of order.
8. Receipt of supplies and services record for auditing purposes.
9. Inventory sheets should be filed in purchasing office if responsibility for the inventory is in purchasing office, otherwise filed in the office most concerned.
10. Catalog files are an important aid in the purchasing function. Catalogs should be arranged so as to be easily accessible, not only to the purchasing official, but to all interested persons in the school organization. Catalogs should be kept current and dated on receipt. Collectively, they become a library of valuable information. A card file with

cross references, such as is used in a library, will assist in filing catalogs and in issuing them to interested school personnel.

11. A container record should be kept for items such as oxygen cylinders, oil and soap containers billed to the district by the vendor and returnable for credit.
12. A salvage record should be kept for disposed equipment or scrap sold.
13. Automated data processing is a valuable management tool for the purchasing agent. Specifically, services from the computer center may be utilized in two areas applicable to the purchasing function—inventory control and accounting. Examples of information obtained from data processing include control of minimum and maximum inventory levels, reordering, scheduling of deliveries, product information, accounts payable, and much more. The total cost of purchasing may be reduced considerably by minimizing paperwork and red tape. Holding down the cost of material acquisition is the first step toward purchasing efficiency.

    The programming devised for inventory control and/or accounting will depend on the information required by the purchasing department. Programming will vary according to the particular situation.

    The automated data processing system must be tailored to the definite needs of the particular school district. When the need for a more efficient operation is required, an automated data processing system may be the answer to the problem. The decision for automation should be considered carefully, and a study should be made of the system of recording, processing, storing, retrieving, and using data. Future volume of information, allowing for growth factors, should be determined in the study also.

    Computer services are an important managerial aid in the areas of planning, analysis, recordkeeping, tabulating, and research. The data processing system employed should be carefully analyzed and tested before final program adoption. "Debugging" a new program and running parallel systems before accepting the new and discontinuing the old will eliminate time consuming problems when the program is set up and operational. The final results will be only as good as the raw data input in any data processing system.

B. Purchasing Forms.

1. Requisitions. In some districts a single requisition form may serve all purposes and types of requests. In other districts, depending on size and variety of activities, several different special purpose requisition forms may be desirable for efficient operation of the purchasing function. There is no set standard as to type and number of forms. The following comments describe some of the current practices in this State:
    a. In relatively small city and central school districts, two requisition forms may be used.
        (1) General requisition to cover both the direct purchase of an item and the furnishing of the article from the warehouse.
            (a) Original copy to business office.
            (b) Carbon copy retained at school.
        (2) Building requisition—to cover changes in buildings or equipment to be attached to building or connected with services.
            (a) Original copy to business office or building and grounds department.
            (b) Copy retained at school.
2. Annual Requisition Forms. When purchasing is done on an annual basis, the following specialized and preestablished annual requisition forms or standard supply lists for recurring supplies and equipment needs may be used. These group listings indicate the breakdown into items pertaining to the department or service named:
    (1) General art and crafts
    (2) General school supplies
    (3) Industrial art supplies
    (4) Health supplies
    (5) Homemaking supplies
    (6) Kindergarten supplies
    (7) Library books and supplies
    (8) Various school equipment: desks, chairs, tables, typewriters
    (9) Textbooks and workbooks
    (10) Computer supplies and equipment
    (11) Musical instruments
    (12) Science supplies and equipment
    (13) Audio-visual supplies and equipment, television, radio, etc.
    (14) Physical education and interscholastic sports supplies and equipment

(15) Custodial supplies

(16) Maintenance equipment

(17) Transportation supplies and equipment

(18) Cafeteria supplies and equipment.

The above requisition forms should have a place to indicate quantity on hand, quantity needed, unit cost, and net order. They should be approved by the school building principal before being sent to the central office.

b. In some of the larger districts of the State the following types of requisition forms and procedures have been standardized:

(1) Requisition for direct purchase. Used for all items not kept in stock. (See sample form, Appendix 7.)

(a) One copy sent to purchasing office.

(b) Carbon copy retained at initiating school or department.

(2) Requisition for maintenance, repairs, and installation. Used for repairs to buildings, services, installations of equipment that fasten to buildings. (See sample form, Appendix 8.)

(a) One copy to purchasing department for routing and numbering.

(b) One copy to buildings and grounds department.

(c) Carbon retained at school.

(3) Requisition from warehouse stock. (See sample form, Appendix 9.)

(a) Original and one copy to business office. The copy returned to school with goods requested.

(b) One copy retained at school.

c. Very large school districts may use other forms for supply and equipment items, for example:

(1) Requisition for warehouse supply. Used only by warehouse to replenish its stock by purchase.

(2) Requisition for work by buildings and grounds staff.

(3) Requisition for public work contracts.

(4) Release form. Used to cover release of items of equipment or supply for return to storage when no longer needed by school, either oversupply or obsolescence.

3. Quotation. (See sample, Appendix 10.) This may be a very simple mimeographed form or printed form with sufficient space to indicate in detail what is required and additional space for the bidder to enter his price. Established procedures will facilitate the processing of these forms both by the district and by the potential vendor.

a. Use of a uniform quotation form, i.e., 8-1/2" x 11".

b. Completion in duplicate, providing the vendor with a worksheet copy and a copy to return to the district as the quotation.

c. Allowance of sufficient space on sheet for bidder's interpretation of each item.

4. Purchase order form. (See sample, Appendix 11.) No two districts whose forms have been studied use the same order form. The number of copies of an order used varies from two to eight. Here again, a form that fits the needs of the district is obviously desirable. Where only two copies are typed, the original is sent to the vendor, and the duplicate remains in the purchasing or school district's business office. If general agreement could be reached on the most efficient number of copies of orders to be written, the chances are good that three or four would suffice. The distribution of a four-copy order form could well be as follows:

a. Original copy to vendor.

b. One copy for encumbering; then to active numerical file of unfilled orders; to inactive numerical file when order is filled.

c. One copy to active alphabetical-by-vendor file; when bill is paid, to requisitioner. Price may be entered for reference.

d. One copy to requisitioner to be used as the receiving copy. When signed by the requisitioner and returned with the delivery slip, it shows that goods have been received and thereby furnishes a basis for payment of claim.

To simplify filing and identification, the four copies should be in four colors, for example: white, pink, yellow, and green.

It is a simple matter to increase the number of copies of the order form, and perhaps a reasonable use may be found for all copies authorized. However, it is much easier to add one additional copy than it is to reduce the number of copies. After once having an order copy, an individual or department only reluctantly relinquishes it, even though the need for the copy may be slight.

5. Order follow-up or expediter form. This may be a printed postcard or a printed form sent to vendor

requesting information as to delivery date on order or orders already placed.

6. Receiving report may be one of the copies of the purchase order or a special form. The receiver's signature and date of receipt of goods are required on this copy before payment is authorized.

C. Purchasing Tips.

1. Timing purchases—the school district will benefit from prompt delivery and will avoid drop shipments and back orders by placing orders at times other than the suppliers' peak-load period. This peak of purchase activity for school equipment and supplies is usually from June through August.
2. Off-season purchases—it is generally good business practice to purchase seasonal goods in the off season: lawn mowers and garden equipment in the winter when factories face a slack period; snow shovels in the summer. Contracts for fuel oil may be awarded in the summer.
3. Packaging instructions—the relative advantages of the several methods of packing and delivery in terms of cost and convenience should be weighed. Shipment to a central point costs less than drop shipments to individual schools. However, unpacking and local delivery costs may offset the initial savings.
4. Formalizing procedures—by formalizing purchasing procedures and reducing procedural instructions to writing, associates and interested personnel will benefit.
5. Standard supply lists—these may include all commonly used standard items organized in groupings such as office, general classroom, art, science, custodial, health, etc. (See Appendix 12.)
6. Control—all requests for price, repair services, and purchases should be made through the purchasing office.
7. Vendor calls—salesmen should be discouraged from making calls on teachers in schools or on maintenance employees without first clearing with the purchasing agent and building principal.
8. New information—the purchasing agent should strive constantly to increase his knowledge of new materials, services, sources, and processes and should suggest new items to interested personnel.
9. Objectivity—No favoritism should be extended to any vendors. All transactions should be on the basis of quality, price, delivery, and service.
10. Personal purchases—purchasing agents should not make personal purchases for staff personnel.
11. Contact with vendors—the purchasing agent should periodically visit vendors' plants or places of business to keep informed on new items, materials, and processes.

D. Sources of Purchasing Information. The following volumes and publications are appropriate to have available for reference purposes in any purchasing office.

1. Educational Periodicals:

   American School & University, North American Publishing Co., 401 N. Broad Street, Philadelphia, PA 19108.

   Nation's Schools, McGraw-Hill Publications, 1050 Merchandise Mart, Chicago, IL 60654

   School Management, Professional Magazines, Inc., 22 West Putnam Avenue, Greenwich, CT 06830.

2. Purchasing Periodicals:

   Purchasing, (a national magazine of industrial purchasing) Conover-Mast Publications, 205 E. 42nd St., New York, NY 10017.

   Purchasing Week, McGraw-Hill Publishing Company, 330 West 42nd St., New York, NY.

3. Miscellaneous:

   Thomas' Register of American Manufacturers, Thomas Publishing Company, 461 Eighth Avenue, New York, NY 10001. Annually. (This is a complete list of manufacturers by product, by manufacturer's name, and by trade name.)

   MacRae's Blue Book, MacRae's Blue Book Company, 100 Shore Dr., Hinsdale, IL 60521. (Similar to Thomas' Register.)

   Consumer Bulletin, Consumers' Research, Inc., Washington, NJ 07882.

   Consumer Reports, Consumers' Union, U.S., Inc., 256 Washington St., Mt. Vernon, NY 10550.

   American Society for Testing and Materials, 1916 Race St., Philadelphia, PA 19103.

4. Reference Texts:

   Purchasing Review Questionnaire, State of New York, Office of the State Comptroller, Division of Municipal Affairs, 1987.

   Competitive Bidding Under General Municipal Law Section 103, State of New York, Office of the State Comptroller, Division of Municipal Affairs, 1982.

School Food Service Management Guide for Purchasing, State of New York, the State Education Department, Office of Educational Finance and Management Services, Bureau of School Food Management and Nutrition, 1984.

Purchasing, Heinritz, S.F.: 4th Edition. Prentice-Hall, 1965, Englewood Cliffs, NJ 07632.

Procurement, Principles, and Cases, Lewis, H.T.: R.D. Irwin, Inc., 1952, Homewood, IL 60430.

Materials Handbook, an Encyclopedia for Purchasing Agents, Engineers, Executives, Foremen, Brady, G.S.: McGraw-Hill Book Co., 1971, 1221 Ave. of the Americas, New York, NY 10020.

Industrial Purchasing—Principles and Practices, Colton, R.R.: Charles E. Merrill Books, Inc., 1962, Columbus, OH 43200.

Business Management of Local School Systems, Knezevich, S.J. & Fowlkes, J.G.: Harper & Brothers, 1960, New York, NY 10017.

Purchasing for Educational Institutions, Ritterskamp, J.J., Abbott, F.L., & Ahrens, B.C.: Bureau of Publications, 1961, Teachers College, Columbia University, New York, NY 10025.

Purchasing and Supply Management for School Business Officials, Bulletin #22, 1978, Association of School Business Officials, 11401 North Shore Drive, Reston, VA 22090-4232.

Purchasing Handbook, Aljian, G.W.: 4th Edition, McGraw-Hill Book Co., 1982, 1221 Avenue of the Americas, New York, NY 10020.

Governmental Purchasing. Forbes, R.: Harper & Brothers, 1929, New York, NY 10017.

E. Professional Associations.

The purchasing official may benefit himself and his school district by direct contact with other officials in the same position and by active participation in associations interested in purchasing procedure. Organizations supported by New York State school district personnel are:

1. New York State Association of School Business Officials, 119 Washington Avenue, Albany, NY 12210.
2. Association of School Business Officials of the United States and Canada, 11401 North Shore Drive, Reston, VA 22090-4232.
3. National Association of Purchasing Management, 11 Park Place, New York, NY 10007.
4. National Institute of Governmental Purchasing, 1001 Connecticut Avenue, N. W., Washington, DC 20036.

F. Criteria for Evaluating Methods of Procurement. Criteria for evaluating methods of procurement should be established by the purchasing agent. Some of these are as follows:

1. Are procedures as simple as possible?
2. Do they meet all legal requirements?
3. Do they provide sufficient records for efficient operation?
4. Are they as flexible as possible to meet changing conditions, requirements, and prices?
5. Are cost and inventory controls maintained?
6. Is the purchasing procedure economical?
7. Is budget control maintained?
8. Are the best interests and objectives of the educational program promoted by the supplies and equipment purchased under these procedures?
9. Are procedures rapid enough to prevent unnecessary supply shortages?

G. Good Public Relations. The purchasing agent is in an excellent position to promote good public relations through his business contacts. His reputation for fairness should:

1. Earn the respect of his associates.
2. Enhance the reputation of the board of education for ethical business procedures.
3. Merit the confidence of the public.
4. Result in good vendor relations.

In interviewing salesmen, the purchasing official should endeavor to:

1. Keep waiting time of salesmen to a minimum.
2. Give the salesmen a fair hearing.
3. Be frank—if product cannot be used, advise salesmen to that effect.

Purchasing locally may be a factor in good public relations. To what extent this can be carried on becomes a serious consideration. The following quotation is a very fair approach to the question and may be assumed to apply to a school district as well as to any other governmental agency or subdivision:

"It is believed, however, that a government agency should award its orders on the same principle as a pri-

vate corporation and should aim to secure the best quality and service per dollar of expenditure. A price differential in favor of local dealers, while returning to them a part of their taxes, may penalize the general taxpaying public. A government purchasing agent should secure as widespread competition as possible, and the local or state dealer should enjoy a preference, *all other factors being equal,* but not a price differential in his favor."[6]

H. Ethics of Purchasing. Although the purchasing practices listed herein are widely accepted, the final decisions remain largely a matter of personal judgment. These judgments are developed to a great extent through personal contacts and relationships. Through his conduct and dealings with vendors, the purchasing official reflects the school board's reputation for courtesy and fair dealing. The purchasing official must maintain a high ethical standard of conduct and a reputation that is above the suspicion of unethical behavior. Two organizations which have made statements of codes are the National Association of Educational Buyers (purchasing officials of colleges and universities) and the New York State Association of School Business Officials. The code for the latter is as follows:

CODE OF ETHICS FOR SCHOOL PURCHASING OFFICIALS[7]

1. To consider first the interests of the school district and the betterment of its educational program.
2. To endeavor to obtain the greatest value for every tax dollar expended.
3. To be receptive to advice and suggestions from colleagues, both in the educational field and in other departments of business administration, insofar as such advice and suggestions are not in conflict with legal or moral restrictions in purchasing procedures.
4. To strive for knowledge of school equipment and supplies in order to recommend items that may either reduce cost or increase the efficiency of the means of education.
5. To insist on and expect honesty in sales representation whether offered verbally or in writing, through the medium of advertising or in the sample of a product submitted.
6. To give all responsible bidders equal consideration and the assurance of unbiased judgment in determining whether their product meets specifications and the educational needs of the district.
7. To discourage the offer of, and to decline, gifts which in any way might influence the purchase of school equipment and supplies.
8. To accord a prompt and courteous reception, insofar as conditions permit, to all who call on legitimate business missions.
9. To counsel and assist fellow school purchasing officials in the performance of their duties whenever occasion permits.
10. To cooperate with educational, governmental, and trade associations in the promotion and development of sound business methods in the procurement of school equipment and supplies.

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[6] Forbes, R. *Govenmental Purchasing,* (New York: Harper & Brothers, 1929), pages 179-180.

[7] This code of ethics was formally adopted by the NYS Association of School Business Officials, May 26, 1954.

GLOSSARY OF PURCHASING TERMS

Bid Calendar: A schedule of kinds of supplies, equipment, and services setting up dates when each will be bid.

Bidders List: A list of vendors maintained in purchasing as possible sources of supply for items listed on bid proposal. The list is usually maintained by type of supplies, equipment, or services.

Bid Proposal: A formal notice by the bidder to the buyer stating the conditions and price under which he/she will furnish the equipment, supplies, or services set forth in the specifications. This is customarily submitted on a bid form furnished by the school district.

Board: The legal governing body of a school district—the board of education.

Claim: An invoice submitted to the buyer by the supplier. The invoice may be on the vendor's form or on a claim form supplied by the school district.

Coding: The assigning of an account number to an item or expenditure so that the expense may be charged to the proper item in the budget.

Contract: The agreement entered into between the board of education and the supplier after an award has been made to the lowest responsible bidder meeting specifications.

Invoice: A formal statement from the supplier to the buyer listing the amount due and the terms of payment for supplies or equipment delivered and/or services rendered as described thereon.

Lowest Responsible Bidder: That responsible bidder furnishing required security and offering to furnish the items of supply or equipment indicated or to perform the services required in a given specification at the lowest price.

NonCollusive: A signed statement by vendor or bidder that prices have Certificate: been arrived at independently without collusion, consultation, or agreement with any other bidder or competitor, and that prices quoted in the bid have not been disclosed to any other bidder or competitor prior to bid opening, and that no attempt has been made to induce another to submit a bid or to restrict competition.

Notice to: A public announcement of intent to receive bids on Bidders: specified equipment, supplies, or services under specified conditions, and an invitation to potential vendors to submit bids.

Purchasing: The act of procuring supplies, equipment, or services of the right quality, in the right quantity, at the right time, at the right price, and from the right source.

Purchasing Agent: A person who is officially designated by the board of education to contract for necessary supplies, equipment, and services.

Purchase Order: A formal notice to a vendor that he has been selected to furnish the supplies or services described in detail thereon.

Quality Control: The assurance, through careful specifications and testing, that the materials received on a contract or order measure up to the established need.

Quotation: An informal notice by a vendor to the buyer stating the conditions and price under which the former will furnish certain equipment, supplies, or services.

Requisition: A request from a person or department of a school system for one or more items or services necessary in performing a function which advances the educational program or the facilities which make the program possible.

Responsible: A vendor who is qualified by experience to perform the work required or furnish the materials indicated on the specification and who has the necessary financial support and ability to complete the contract. (A bidder may be disqualified for illegal or unethical conduct.)

Specification: A description of equipment, supplies, or services setting forth in a clear and concise manner the characteristics of the item to be purchased and the conditions under which the purchase will be made.

Standard List: An agreed-upon list of commonly used items of supply and equipment among grades, classes, and schools. Such an approved list tends to reduce the number and types of items to be purchased and promotes economy through a greater quantity to be procured.

Standardization: The result of action taken by a board of education when it decides, in the interests of efficiency and economy, to purchase a particular brand, make, or type of equipment or supply.

Ultravires: An action which is beyond the power or purpose of a Action: corporation, city, county, or other body, but not an action which is merely performed in an unauthorized manner or without authority.

Unit Price: The price of a selected unit of a goods or service (e.g., price per ton, labor hour, foot).

Unit Price: The calculation of the total price of goods by multiplying Extension:the price per unit by the number of units purchased.

Vendor: A potential supplier of the items listed on a requisition or indicated in a specification.

Vendor File: The accumulated record maintained by the central purchasing authority of information relevant to his business relationship with the government, including application for inclusion on the bidders list, record of performance under contracts, correspondence and the results of special purpose analyses.

Warehouse: A central storage area for stocking school supplies and equipment, or a section of a school building set aside as a storeroom for ordinary supply items.

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APPENDIX 1

POSITION GUIDE FOR PURCHASING AGENT

General Statement of Duties:

The school district purchasing agent is responsible for the purchasing of all supplies, materials, equipment, and services for the school district and does related work as required.

Distinguishing Features of the Class:

This is a responsible administrative post involving the formulating of plans and policies and the development of purchasing procedures and forms to achieve efficient, economical, and timely procurement to meet the district's needs.

The work entails responsibility for the operation of the school district's central storage and distribution facilities, various service shops, and the delivery service where such exist.

He/she supervises purchasing clerical and technical personnel.

The purchasing agent works subject to the policies and administrative regulations of the board of education and is under the direct supervision of the school business administrator.

He/she establishes and maintains desirable relationships with vendors and company representatives.

Examples of Work:

Drafts and recommends to his/her immediate superior the general policies and procedures for handling purchases for the school district.

Confers with principals, directors, supervisors, department heads, and other appropriate personnel in their needs.

Directs the receiving, processing, routing, and filing of all approved requisitions.

Exercises leadership in the development and maintenance of standard supply lists.

Keeps abreast of current price trends, market conditions, and new and improved items of supply and service.

Maintains current information concerning sources of supply such as Surplus Property Administration, State Contracts, Industries for the Blind, Division of Industries of the Department of Correction, etc.

Interviews sales representatives. Schedules purchases to assure that proper supplies, materials, equipment, and services are available where and when needed.

Prepares specifications and solicits informal quotations and formal bids.

Receives, opens, examines, and tabulates the results of quotations and bids according to procedures required by board policy and statutes.

Makes recommendations concerning bid awards to his immediate supervisor.

Maintains specification files and bidders' lists.

Checks on deliveries of supplies, materials, equipment, and services.

Maintains testing and quality control procedures.

Maintains inventories of consumable supplies and materials.

Initiates where appropriate, and participates in cooperative bidding/purchasing efforts.

Maintains the fixed assets inventory as required by the Uniform System of Accounts.

Supervises technical and clerical personnel assigned to the purchasing function.

Required Knowledges, Skills, and Abilities:

Extensive knowledge of supply markets, trade conditions, business methods, and purchasing practices in general.

Knowledge of the special nature of procuring supplies, materials, equipment, and services to meet educational needs.

Familiarity with current studies and literature in the field of educational, industrial, and governmental purchasing.

Knowledge of modern principles and practices of purchasing.

Comprehensive knowledge of business procedures, forms, and equipment.

Comprehensive knowledge of a wide variety of commodities.

Excellent knowledge of current practices in preparation of purchase specifications.

Strong personal integrity.

Sound professional judgment, initiative, and resourcefulness.

Ability to get along well with and to supervise others.

Skill in articulating and communicating the district's purchasing policies.

Ability to understand and follow complex oral and written directions.

Acceptable Training and Experience:

Completion of a course in a college or university for which a bachelor's degree has been granted, preferably in business administration, and/or five years' educational or business experience which included two years' related purchasing experience; *or*

Any satisfactory equivalent combination of the above experience training which would indicate ability to perform acceptably the duties outlined.

APPENDIX 2

RESOLUTION APPOINTING PURCHASING AGENT

BE IT RESOLVED THAT _____ is appointed "Purchasing Agent" for the Board of Education of _____ School District, effective immediately, and until such time as the Board may revoke the appointment, and

BE IT FURTHER RESOLVED THAT _____ shall purchase, procure, store, and distribute all supplies and equipment for which appropriations have been made with due regard to existing law, economy and efficiency, and the needs and desires of the departments of the school requesting such supplies, and

BE IT FURTHER RESOLVED THAT _____ be and hereby is authorized to execute in the name of the Board of Education any and all documents, contracts, orders or other instruments necessary to carry out the intent of this resolution.

APPENDIX 3

SUMMARY

NINE STEPS IN THE PROCUREMENT PROCEDURE

The following chart illustrates nine basic steps in the procurement process:

1. Requisition	Initiated by user. Sent to proper official for approval. Copy retained by school.
2. Specifications	Prepared in detail by purchasing agent and made available to prospective contractors or vendors.
3. Bids or Quotations	Checked and tabulated by purchasing agent. In the case of formal bids, recommendation made to the board of education.
4. Contract or Purchase Order	Contracts signed by Chief Fiscal Officer (board president); orders signed by purchasing agent.
5. Follow-up	By purchasing department *only*.
6. Receipt of Goods	Receiving agency signs receiving copy of purchase order and forwards same to purchasing department indicating the quantity and quality of materials or services have been received and are satisfactory.
7. Invoice	Checked for price and quantity by purchasing department.
8. Quality Control	By purchasing agent or designee to see that item meets specifications.
9. Claim (invoice)	After receipt of goods is acknowledged by requisitioner, the purchasing agent attests to the correctness of the claim including verification that the supplies, equipment, or services conformed to specifications; thence to board of education or internal auditor for approval for payment.

APPENDIX 4

SAMPLE FORM FOR NEWSPAPER ADVERTISEMENT

To be printed in the _____ issue(s)
(Date or dates)

of the _____.
(Name of newspaper)

ADVERTISEMENT

Sealed bids are requested by the _____

School District for _____.
(Description)

Bids will be received until _____, _____ in the business office, 100 Main Street, Anytown, New York, at which time and place they will be publicly opened and read.

Specifications and bid forms may be obtained at the same office.

Board of Education
100 Main Street
Anytown, New York 10000

By _____
(Title)

APPENDIX 5

SAMPLE SPECIFICATIONS AND BID FORMS

BOARD OF EDUCATION

_____SCHOOL DISTRICT NO. _____

_____, NEW YORK

BID FORM AND SPECIFICATIONS

Schedule 4:2

FUEL OIL

Item No.	Unit	Description	Approx. Quantity	Unit Price	Total
1	Gals.	No. 2 fuel oil	10,000		
2	Gals.	No. 4 fuel oil	370,000		
3	Gals.	No. 6 fuel oil	460,000		

Oil Burner Servcie, _____, 19__ to _____, 19__.

	School	Type	No. of Burners	Fuel	Tank Capacity
3	Washington	Todds	2	6 & 2	15,00
5	Lincoln	Petro	3	6	25,000
6	Roosevelt	Iron Fireman	3	4	13,400
7	Truman	Enterprise	2	4	
		Todds	2	4	21,700
8	Dewey	Petro	1	4	5,000
9	Southside	Petro	2	4	20,000
10	Lakeside	Petro	3	6 & 8	15,000
11	Memorial	Todds	3	6	No Service

(Note: No. 2 oil used in preheaters only) _____

Total Bid _____

NONCOLLUSIVE BIDDING CERTIFICATION

Firm Name _____

Business Address _____

Telephone Number_____Date of Bid _____

I. General Bid Certification

The bidder certifies that he/she will furnish, at the prices herein quoted, the materials, equipment and/or services as proposed on this bid.

II. NonCollusive Bidding Certification

By submission of this bid proposal, the bidder certifies that he/she is complying with Section 103-d of the General Municipal Law as follows:

Statement of noncollusion in bids and proposals to political subdivision of the state. Every bid or proposal hereafter made to a political subdivision of the state or any public department, agency or official thereof where competitive bidding is required by statute, rule, regulation, or local law, for work or services performed or to be performed or goods sold or to be sold, shall contain the following statement subscribed by the bidder and affirmed by such bidder as true under the penalties of perjury: Noncollusive bidding certification.

"(a) By subdivision of this bid, each bidder and each person signing on behalf of any bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best knowledge and belief:

(l) The prices in this bid have ben arrived at independently without collusion, consultation, communication or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other bidder or with any competitor;

(2) Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the bidder and will not knowingly be disclosed by the bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and

(3) No attempt has been made or will be made by the bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition."

(b) A bid shall not be considered for award nor shall any award be made where (a) (l) (2) and (3) above have not been complied with; provided, however, that if in any case the bidder cannot make the foregoing certification, the bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefor. Where (a) (1) (2) and (3) above have not been complied with, the bid shall not be considered for award nor shall any award be made unless the head of the purchasing unit of the political subdivision, public department, agency or official thereof to which the bid is made, or his/her designee, determines that such disclosure was not made for the purpose of restricting competition.

The fact that a bidder (a) has published price lists, rates, or tariffs covering items being procured, (b) has informed prospective customers of proposed or pending publication of new or revised price lists for such items, or (c) has sold the same items to other customers at the same prices being bid, does not constitute, without more, a disclosure within the meaning subparagraph one (a).

2. Any bid hereafter made to any political subdivision of the state or any public department, agency or official thereof by a corporate bidder for work or services performed or to be performed or goods sold or to be sold, where competitive bidding is required by statute, rule, regulation, or local law, and where such bid contains the certification referred to in subdivision one of the section, shall be deemed to have been authorized by the board of directors of the bidder, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of the certificate as to noncollusion as the act and deed of the corporation.

_____

Signature (Authorized)

_____

Title

Note: This is a sample of an approved form which may be reproduced locally.

APPENDIX 6

(NAME AND ADDRESS OF SCHOOL DISTRICT)

GENERAL CONDITIONS

(For the **purchase of materials,** supplies, and equipment)

All invitations to bid issued by the above named school district will bind bidders and successful bidders to the conditions and requirements set forth in these general conditions, and such conditions shall form an integral part of each purchase contract awarded by the school district.

DEFINITIONS

"School districts"	Shall be the legal designation of the district.
"Notice to bidders"	A formal statement which, when issued by the school district, constitutes an invitation to bid on the materials, supplies, and equipment described by the specifications.
"Board"	The board of education of the school district.
"BID"	An offer to furnish materials, supplies, and/or equipment in accordance with the invitation to bid, the general conditions, special instructions, and the specifications.
"Bid offer"	The form on which the bidder submits his/her bid.
"Bidder"	Any individual, company, or corporation submitting a bid.
"Contract"	A notice to the successful bidder by the issuance of a purchase order; also all documents relating to the transaction, including but not limited to, the bid offer of the successful bidder, notice to bidders, general information, general conditions, special instructions, specifications, notice of award, bid proposal certifications; also a formal document signed by the successful bidder and the school district representative.
"Successful bidder"	Any bidder to whom an award is made by the school district.
"Contractor"	Any bidder to whom a contract award is made by the board of education.
"Specifications"	Description of materials, supplies, and/or equipment and the conditions for its purchase.

BIDS

1. The date, time, and place of bid opening will be given in the Notice to Bidders.

2. All bids must be submitted on bid offer forms and in accordance with instructions provided by the board.

3. All bids received after the time stated in the Notice to Bidders may not be considered and will be returned unopened to the bidder. The bidder assumes the risk of any delay in the mail or in the handling of the mail by employees of the school district. Whether sent by mail or by means of personal delivery, the bidder assumes responsibility for having his/her bid deposited on time at the place specified.

4. All information required by Notice to Bidders, General Conditions, Specifications, and Bid Offer, in connection with each item against which a bid is submitted, must be given to constitute a regular bid.

5. The noncollusive bidding certification must be included with each bid as required by General Municipal Law, section 103-d.

6. The submission of a bid will be construed to mean that the bidder is fully informed as to the extent and character of the supplies, materials, or equipment required and a representation that the bidder can furnish the supplies, materials, or equipment satisfactorily in complete compliance with the specifications.

7. No alteration, erasure, or addition is to be made in the typewritten or printed matter. Deviations from the specifications must be set forth in space provided in bid for this purpose.

8. Prices and information required should be typewritten for legibility. Illegible or vague bids may be rejected. All signatures must be written. Facsimile, printed, or typewritten signatures are not acceptable.

9. Sales to school districts are not affected by any fair trade agreements. (General Business Law, sec. 369-a, sub. 3).

10. No charge will be allowed for Federal, State, or municipal sales and excise taxes since the school district is exempt from such taxes. The price bid shall be net and shall not include the amount of any such tax.

11. In all specifications, the words "or equal" are understood after each article giving manufacturer's name or catalog reference, or on any patented article. The decision of the school district as to whether an alternate or substitution is in fact "equal" shall be final. If bidding on items other than those specified, bidder must in every instance give the trade designation of the article, manufacturer's name, and detailed specifications of item he/she proposes to furnish. Otherwise, bid will be construed as submitted on the identical item as specified.

12. Bids on equipment must be on standard new equipment, of latest model and in current production, unless otherwise specified.

13. All regularly manufactured stock electrical items must bear the label of the Underwriters' Laboratories, Inc.

14. When bids are requested on a lump sum basis, bidder must bid on each item in the lump sum group. A bidder desiring to bid "no charge" on an item in a group must so indicate; otherwise bid for the group may be rejected.

15. All prices quoted must be "per unit" as specified:, e.g., do not quote "per case" when "per dozen" is requested; otherwise, bid may be rejected.

16. Bidder must insert the price per unit and the extensions against each item in his/her bid. In the event of a discrepancy between the unit price and the extension, the unit price will govern. Prices shall be extended in decimals, not fractions.

17. Prices shall be net, including transportation and delivery charges fully prepaid by the successful bidder to destination indicated in the instructions to bidders. If award is made on any other basis, transportation charges must be prepaid by the successful bidder and added to the invoice as a separate item. In any case, title shall not pass until items have been delivered and accepted.

18. All bids must be sealed. They must be submitted in envelopes furnished by the school district, if any. Otherwise, plain, opaque envelopes may be used, clearly marked "BID." Also the date and time of the bid opening as indicated on the Notice to Bidders must appear on the envelope. Bids must not be attached to or enclosed in packages containing bid-samples. Telegraphed bids may be considered at the discretion of the school district. Telephoned quotations or amendments will not be accepted at any time.

19. No interpretation of the meaning of the specifications or other contract document will be made to any bidder orally. Every request for such interpretation should be in writing, addressed to the school district, not later than five (5) days prior to the date fixed for the opening of bids. Notice of any and all such interpretations and any supplemental instructions will be sent to all bidders of record by the school district in the form of addenda to the specifications. All addenda so issued shall become a part of the contract documents.

20. If the supplies, materials, or equipment are to be delivered over an extended period of time, or if the specifications so state, then the successful bidder may be required to execute an agreement in relation to the performance of his/her contract, such agreement to be executed by the bidder within 15 days after notification to execute such contract. If the specifications so state, the successful bidder also may be required to furnish a performance bond equal to the full amount of the contract to guarantee the faithful performance of such contract. Such performance bond shall be maintained in full force and effect until the contract shall have been fully performed. The surety company furnishing such performance bond shall be authorized to do business in the State of New York and must be satisfactory to the school district. The performance bond shall be executed by the successful bidder at the time of the execution of the contract by the successful bidder and the board.

SAMPLES

21. All specifications are minimum standards; and accepted bid samples do not supersede specification for quality unless bid sample is superior, in which case deliveries must be the same identity and quality as accepted bid sample.

22. The school district reserves the right to request a representative sample of the item quoted upon either prior to the award or before shipments are made. If the sample is not in accordance with the requirements of the specification, the school district may reject the bid; or, if award has been made, cancel the contract at the expense of the successful bidder.

23. Samples, when required, must be submitted strictly in accordance with instructions; otherwise, bid may not be considered. If samples are requested subsequent to bid opening, they shall be delivered as directed for bid to have consideration. Samples must be furnished free of charge and must be accompanied by descriptive memorandum invoices indicating if the bidder desires their return and specifying the address to which they are to be returned provided they have not been used or made useless by tests. Award samples may be held for comparison with deliveries. The school district will not be responsible for any samples destroyed or mutilated by examination or testing. Samples shall be removed by the bidder at his/her expense. Samples not removed within fifteen (15) days after written notice to the bidder will be regarded as abandoned and the school district shall have the right to dispose of them as its own property.

24. When a specification indicates that an item to be purchased is to be equal to a sample, such sample will be on display at a designated location in the school district. Failure on the part of the bidder to examine sample shall not entitle him/her to any relief from the conditions imposed in the proposal, specification, etc.

AWARD

25. Awards will be made to the lowest responsible bidder, as will best promote the public interest, taking into consideration the reliability of the bidder, the quality of the materials, equipment, or supplies to be furnished, their conformity with the specifications, the purposes for which required, and the terms of delivery.

26. The school district reserves the right to reject all bids. Also reserved is the right to reject, for cause, any bid in whole or in part to waive technical defects; qualifications; irregularities; and omissions, if in its judgment the best interests of the district will be served. Also reserved is the right to reject bids and to purchase items on State or county contracts if such items can be obtained on the same terms, conditions, specifications, and at a lower price.

27. The school district reserves the right to make awards within sixty (60) days after the date of the bid opening during which period bids may not be withdrawn unless the bidder distinctly states in his/her bid that acceptance thereof must be made within a shorter specified time.

28. Where a bidder is requested to submit a bid on individual item and also on a total sum or sums, the right is reserved to award contracts on individual items or on total sums, whichever is in the best interests of the school district.

29. If two or more bidders submit identical bids as to price, the decision of the board to award a contract to one of such identified bidders shall be final. (General Municipal Law, Sec. 103, sub. 1.)

CONTRACT

30. Each bid will be received with the understanding that the acceptance thereof in writing by the board, to furnish any or all of the items described therein shall constitute a contract between the successful bidder and the school district. Contract shall bind the successful bidder on his/her part to furnish and deliver at the prices and in accordance with the conditions of his/her bid. Contract shall bind the school district on its part to order from such successful bidder and to pay for at the contract prices, all items ordered and delivered, within ten (10) percent over or under the award quantity, unless otherwise specified.

31. The placing in the mail of a notice of award or purchase order to a successful bidder, to the address given in his/her bid, will be considered sufficient notice of acceptance of contract.

32. If the successful bidder fails to deliver as ordered, or within the time specified, or within reasonable time as interpreted by the school district, or fails to make replacement of rejected articles, when so requested immediately or as directed by the school district, the school district may purchase from other sources to take the place of the item rejected or not delivered. The school district reserves the right to authorize immediate purchase from other sources against rejections on any contract when necessary. On all such purchases the successful bidder agrees to reimburse the school district promptly for excess costs occasioned by such purchases. Should the cost be less, the successful bidder shall have no claim to the difference. Such purchases will be deducted from contract quantity.

33. A contract may be canceled at the successful bidder's expense upon nonperformance of contract.

34. Cancellation of contract for any reason may result in removal of the successful bidder's name from mailing list for future proposals for an indeterminate period.

35. When materials, equipment, or supplies are rejected, they must be removed by the successful bidder from the premises of the school district within ten (10) days of notification. Rejected items left longer than ten (10) days will be regarded as abandoned, and the school district shall have the right to dispose of them as its own property.

36. No items are to be shipped or delivered until receipt of an official purchase order from the school district.

37. It is mutually understood and agreed that the successful bidder shall not assign, transfer, convey, sublet, or otherwise dispose of the contract or his/her right, title, or interest therein, or his/her power to execute such contract, to any other person, company, or corporation, without the previous written consent of the school district.

INSTALLATION OF EQUIPMENT

38. The successful bidder shall clean up and remove all debris and rubbish resulting from his/her work from time to time as required or directed. Upon completion of the work the premises shall be left in a neat, unobstructed condition, and the buildings broom cleaned, and everything in perfect repair and order. Old materials are the property of the successful bidder unless otherwise specified.

39. Equipment, supplies, and materials shall be stored at the site, only on the approval of the school district and at the successful bidder's risk. In general, such on-site storage should be avoided to prevent possible damage or loss of the material.

40. Work shall be progressed so as to cause the least inconvenience to the school district and with proper consideration for the rights of other successful bidders or workmen. The successful bidder shall keep in touch with the entire operation and install his/her work promptly.

41. Bidders shall acquaint themselves with conditions to be found at the site and shall assume all responsibility for placing and installing the equipment in the locations required.

42. Equipment for trade-in shall be dismantled by the successful bidder and removed at his/her expense. The condition of the trade-in equipment at the time it is turned over to the successful bidder shall be the same as covered in the specifications, except as affected by normal wear and tear from use up to the time of trade-in. All equipment is represented simply "as is." Equipment is available for inspection only at the delivery point listed for new equipment, unless otherwise specified.

GUARANTEES BY THE SUCCESSFUL BIDDER

43. The successful bidder guarantees:

    (a) His/her products against defective material-or workmanship and to repair or replace any damages or marring occasioned in transit.

    (b) To furnish adequate protection from damage for all work and to repair damages of any kind for which he/she or his/her workmen are responsible, to the building or equipment. to his/her own work, or to the work of other successful bidders.

    (c) To carry adequate insurance to protect the school district from loss in case of accident, fire, theft,

    (d) That all deliveries will be equal to the accepted bid sample.

    (e) That the equipment delivered is standard, new, latest model of regular stock product or as required by the specifications; also that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice. Every unit delivered must be guaranteed against faulty material and workmanship for a period of at least one year from date of delivery. If during this period such faults develop, the successful bidder agrees to replace the unit or the part affected without cost to the school district.

    Any merchandise provided under the contract which is or becomes defective during the guarantee period shall be replaced by the successful bidder free of charge with the specific understanding that all replacements shall carry the same guarantee as the original equipment. The successful bidder shall make any such replacement immediately upon receiving notice from the school district.

DELIVERY

44. Delivery must be made in accordance with the instructions to bidders and specifications. If delivery instructions do not appear on order, it will be interpreted to mean prompt delivery. The decision of the school district as to reasonable compliance with delivery term shall be final.

45. The school district will not accept any deliveries on Saturday, Sundays, or legal holidays, except commodities required for daily consumption or where the delivery is for an emergency.

46. Items shall be securely and properly packed for shipment, storage, and stocking in shipping containers and according to acceptable commercial practice, without extra charge for packing cases, baling, or sacks.

47. The successful bidder shall be responsible for delivery of items in good condition at point of destination. He/she shall file with the carrier all claims for breakage, imperfections, and other losses, which will be deducted from invoices. The receiving school district will note for the benefit of successful bidder when packages are not received in good condition.

48. Unless otherwise stated in the specifications, all items must be delivered into and placed at a point within the building as directed by the shipping instructions or the agent for the school district. The successful bidder will be required to furnish proof of delivery in every instance.

49. Unloading and placing of the equipment and furniture is the responsibility of the successful bidder, and the school district accepts no responsibility for unloading and placing of equipment. Any costs incurred due to the failure of the successful bidder to comply with this requirement will be charged to him/her. No help for unloading will be provided by the school district, and suppliers should notify their truckers accordingly.

50. All deliveries shall be accompanied by delivery tickets or packing slips. Ticket shall contain the following information for each item delivered:

    Contract Number and/or Purchase Order Number
    Name of Article
    Item Number (if applicable)
    Quantity
    Name of the Successful Bidder

    Carton shall be labeled with purchase order or contract number, successful bidder's name and general statement of contents. Failure to comply with this condition shall be considered sufficient reason for refusal to accept the goods.

PAYMENTS

51. Payment for the used portion of an inferior delivery will be made by the school district on an adjusted price basis.

52. Payment will be made only after correct presentation of claim form or invoices as may be required.

53. Payments of any claim shall not preclude the school district from making claim for adjustment on any item found not to have been in accordance with the contract specifications.

SAVING CLAUSE

54. The successful bidder shall not be held responsible for any losses resulting if the fulfillment of the terms of the contract shall be delayed or prevented by wars, acts of public enemies, strikes, fire floods, acts of God, or for any other acts not within the control of the successful bidder and which by the exercise of reasonable diligence he/she is unable to prevent.

Date of Adoption by Board of Education _____

Note: A noncollusive bidding certification must be submitted with each bid.

APPENDIX 7

PURCHASE REQUISITION FORM

Any Town Central School District
Anywhere, New York

REQUISITION

NO:

Date: _____

School: _____

Budget Code: _____

Dept. and Originator: _____

BUSINESS OFFICE ONLY

Suggested Supplier: _____

P.O. Number _____

_____

Delivery Instructions: _____

Approved _____

Quantity and Unit	Catalog Number	Complete Description	Unit Price	Total Price
		Comment: Purchase requisitions are generally initiated by a school or department to cover requisitions needed during the school year and which would be purchased from a supplier. Requisitions should be made out in duplicate: 1. Original sent to purchasing office for processing. 2. Duplicate retained in initiating school or department.		
			TOTAL	

Signature	Date
Approved by	
Approved by	
Approved by	

APPENDIX 8

BUILDING REQUISITION FORM

Board of Education

_____

N.Y.

PROCEDURES

1. Send this requisition to Purchasing Department.
2. Purchasing Department to refer directly to Department of Buildings.
3. Use separate requisition for each unrelated item.
4. Retain copy for school files.

When to Use

1. For all requests for repairs to buildings and instructional equipment, except office equipment and business machines. No purchase requisition need accompany building requistion in these cases.
2. For all requests for installation of instructional equipment that fastens to building or connects with mechanical services such as steam, gas, electricity, or sewerage.
   Instructional equipment only to be requisitioned on an accompanying purchase requisition.
3. For technical services in connection with planning and equipment for clearance on area, load, mechanical, and safety conditions.
4. For any proposed change in room occupancy, also opening and closing of rooms.
5. For approval to connect with electric system or plug into electric receptacles any piece of equipment not owned by the Board of Education or not previously inspected and approved by the Department of Buildings.

No. _____
(Central Office Record Only)

_____
Date

_____
School

_____
Department or Shop

_____
Requisition initiated by

_____
Approved Principal or Directing Head

Item	Maintenance - M Replacement - R New - N	NATURE OF WORK	Urgent - U Necessary - N Desirable - D
		BUILDING REQUISITION	
		Comment: A building requisition form is used when repairs to buildings are to be made, services are to be connected, or equipment which fastens building is to be installed. Requisition is made in triplicate. 1. Original sent to purchasing office. 2. Duplicate sent to buildings and grounds departments. 3. Copy retained at school or in the originating department.	

INSPECTOR: This space for comment and sketches.

Estimated Cost			Estimator	Contractor
Construction				
Mechanical				
Miscellaneous				
TOTAL				

Estimated Cost of Equipment _____

Estimated Cost of Installation _____

Estimated Total Cost _____

Approval of Items involving Educational Policy

_____ Date

_____ Superintendent of Schools

Date received in Purchasing Department

Date received in Building Department

Referred to	Date	Returned

Order No.

Character of Expenditure

Disposition:

_____ Date

_____ Superintendent of School Buildings

APPENDIX 9

WAREHOUSE REQUISITION FORM

BOARD OF EDUCATION

Serial No. _____
Reserved for Control Office

Published by _____ _____, N.Y.

Package No. _____ _____

_____
Date

_____
School

_____
Department, Shop, or Unit

_____
Requisitioner

_____
Signature of Principal or Directing Head

WAREHOUSE REQUISITION

For Special OK, refer to _____

Quantity Charged To Unit	New or Replace	Quantity	ITEMS AND DESCRIPTION	Price

Comment:

The warehouse requisition is used in a school system having such a central supply facility:

1. Original and one copy sent to business office. Upon approval, duplicate copy is sent to warehouse for filling of order and is then used as packing slip for delivery.

2. Third copy retained at school initiating requisition.

Received

Approved by

Referenced to	Date Sent	Date Returned

1.

2.

3.

APPENDIX 10

QUOTATION FORM

TO •
•
•
•

TO •
•
•
•

TO •
•
•
•

RETURN TO:

PURCHASING AGENT
BOARD OF EDUCATION
CENTRAL SCHOOL
MAIN STREET
NEW YORK

REQUEST FOR QUOTATION

THIS IS NOT AN ORDER

DATE ISSUED	QUOTATION DUE BY	DEL. REQ. BY

ITEM NO.	QUANTITY	DESCRIPTION	UNIT PRICE	AMOUNT
		COMMENT: This form is made out in the purchasing office and sent to vendors to obtain prices on items specified. It is a four-part form with copies staggered. Typing on the original registers three different vendors' names on each of the three carbons. No vendor is aware of the names of the others. It permits the vendor to fill out the form indicating what he/she proposes to furnish and the price. On receipt of the various quotations covering the transaction, a summary may be made for use of the purchasing official.		

VENDOR PLEASE COMPLETE THIS INFORMATION

1. SHIPMENT CAN BE MADE _____ DAYS FROM RECEIPT OF ORDER.
2. F.O.B. _____
3. TERMS _____
4. DATE _____

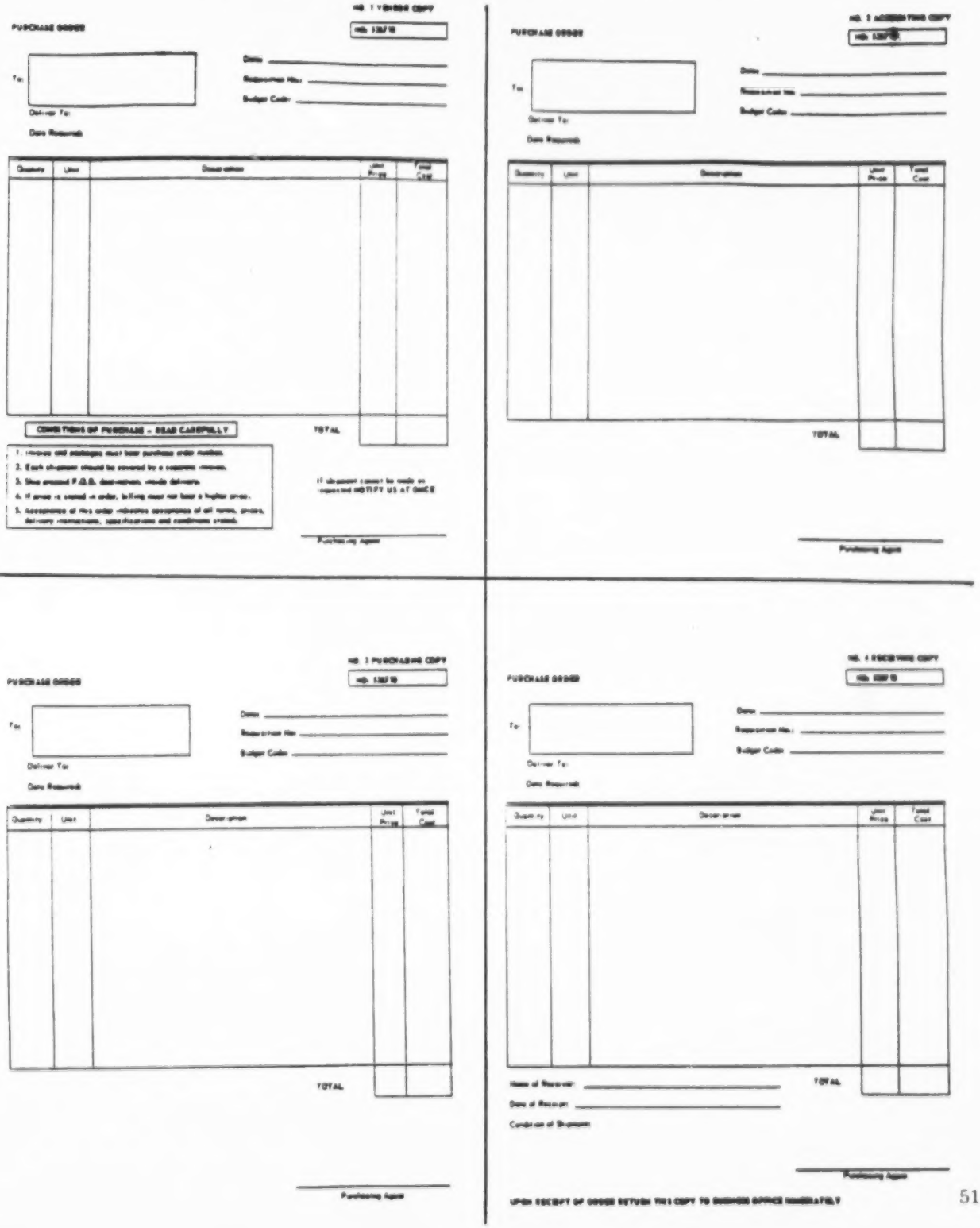
BY _____

_____
PURCHASING AGENT

FORM 90-0017

APPENDIX 11

PURCHASE ORDER FORM



PURCHASE ORDER

To:

Deliver To:

Date Required:

Date:

Requisition No.:

Budget Code:

Quantity	Unit	Description	Unit Price	Total Cost

APPENDIX 12

STANDARD LIST OF SUPPLIES

GENERAL OFFICE AND CLASSROOM SUPPLIES

Standard List Item No.	Description	Inventory	Quantity Required	Unit	Unit Cost	Total Cost
1	BASKETS, Metal waste, bottom 10" diam., top 13", 14" high, inset bottom 1" top reinforced with wire, 26 gauge steel, gray			each	1.25	
	BLOTTERS, for disk pad					
2	100# Green			dos.	.70	
3	19" x 24"			"	1.60	
4	20" x 34"			"	1.65	
4	24" x 38"					
5	BLOTTER PADS, Desk, 19" x 24", 4" imitation leather corners not less than 1/8" thick, binder board Brand X #117 or equal			each	2.50	
	Aqua Lavendar					
	WAX, Candle wick					
604	#5493-1 12 yards			each	.45	
605	#5495-2 100 yards			"	2.30	
	WAX, Candle glitter					
606	#2816 1 oz.			oz.	.22	
607	#2816 1 lb.			lb.	1.65	

PAGE TOTAL $ _____

GRAND TOTAL $ _____

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